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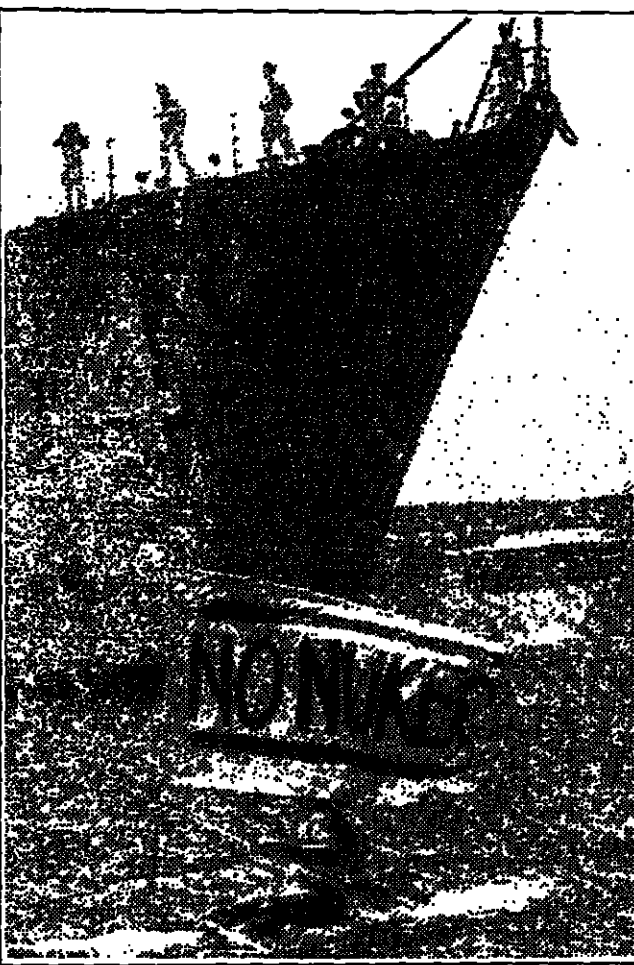
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ESTABLISHED 1887



A protester paddled among boats that tried to hamper the U.S. destroyer Buchanan on its arrival in Sydney. The Buchanan and another U.S. destroyer, the John Young, are to take part in exercises with Australia later this week.

Annual ANZUS Meeting, Set for July, Is Postponed

By The Associated Press
CANBERRA, Australia — Prime Minister Bob Hawke said Monday that an annual meeting of the Australia-New Zealand-United States defense alliance had been postponed and that the alliance had virtually ceased to function because of a dispute between New Zealand and the United States.

"Australia has decided it is necessary to announce the postponement of the ANZUS council meeting," Mr. Hawke said. "Later, he said, 'Insofar as ANZUS is a trilateral relationship, virtually nothing of it is operative now.'"

Mr. Hawke said there was no point in holding the annual meeting among the U.S. secretary of state and the foreign ministers of Australia and New Zealand. It had been scheduled for Canberra in July.

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- Polish food prices were raised as much as 75 percent, Lech Walesa called the action "a deception." Page 2.
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- Carl C. Icahn dropped his hostile bid to acquire Phillips Petroleum Co. Page 7.
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TOMORROW

The onrush of affluence has transformed the lives of the Japanese.

Gromyko Cautions Genscher

Warns Against 'Star Wars' Role For W. Germany

By The Associated Press
MOSCOW — Andrei A. Gromyko, the Soviet foreign minister, warned West Germany on Monday that it would become "an accomplice" in violating the 1972 anti-ballistic missile treaty if it joins U.S. research on space missile defenses.

Tass, the official Soviet news agency, said Mr. Gromyko delivered the warning to Hans-Dietrich Genscher, his West German counterpart, whose visit was announced only the day before. They met Monday for four and a half hours.

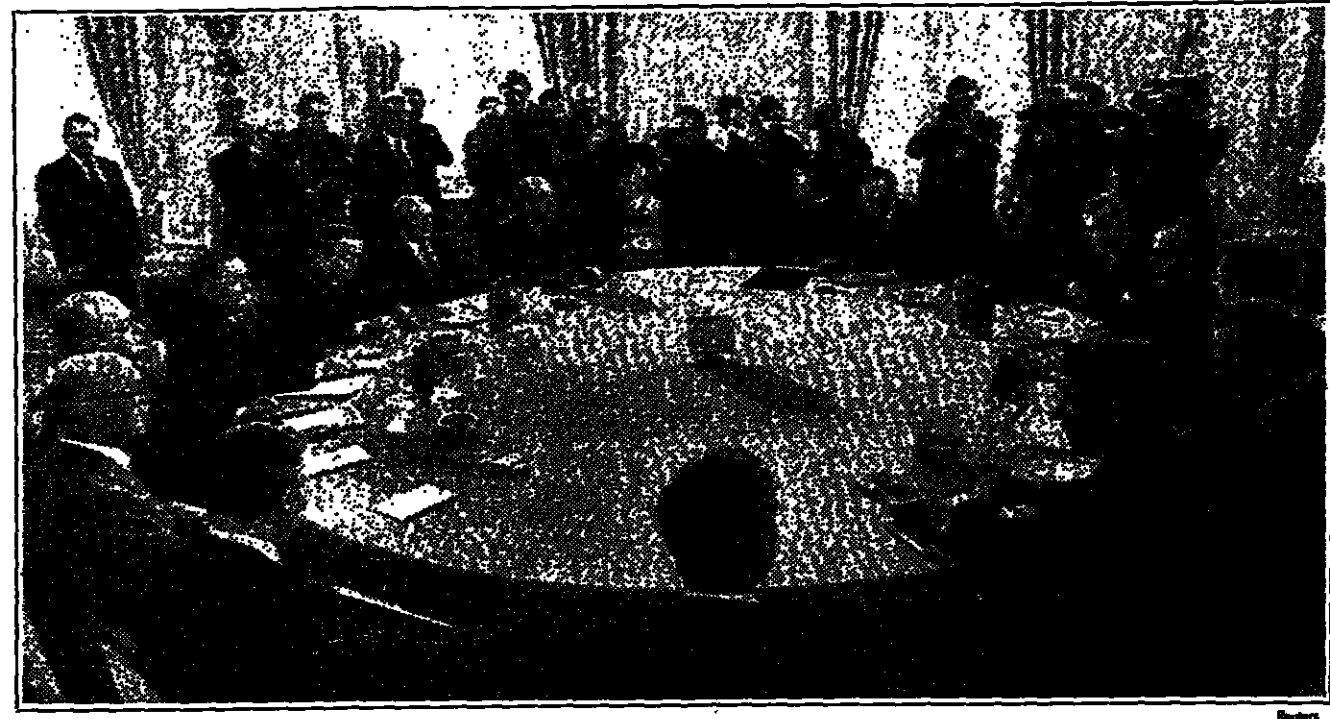
Discussing arms-control negotiations between the Soviet Union and the United States, which are scheduled to resume March 12, Mr. Gromyko was quoted as saying that Moscow would act constructively. But he added that "success of the talks will depend on whether the American side acts likewise."

Mr. Gromyko urged West Germany to halt deployment of medium-range nuclear missiles being installed by the North Atlantic Treaty Organization, Tass said. The missiles, not being deployed to counter what NATO says is the threat from Soviet SS-20 weapons.

"In the context of the problem of preventing a militarization of outer space," Tass said, "the Soviet side has expressed concern over the stand of the West German government on the American space plans."

Mr. Gromyko said that West Germany's "joining in 'research work' to create outer space weapons would actually make it an accomplice in the violation of the treaty on anti-ballistic missile defense."

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Andrei A. Gromyko, at left, faced Hans-Dietrich Genscher, across the table at right, at their meeting Monday in Moscow.

The U.K. Coal Strike: Nothing to Celebrate

By Bob Hagerty
International Herald Tribune

LONDON — Last August, when British coalminers still thought they could win their strike, a Scottish miner's wife paused with dish towel in hand to ponder the consequences of defeat.

"If we lose," the Scotswoman said, "they'll have us back to the days when you had to doff your cap to the boss."

Like most predictions about the 51-week strike, that one probably will not come true. The Conservative government has achieved a notable victory in subduing the National Union of Mineworkers, traditionally considered Britain's fiercest union. But even Conservative Party loyalists caution against concluding that the victory will transform the attitudes of British workers.

Aside from its considerable economic cost, the strike has reaffirmed the old social divisions in Britain and has sunk a large share of Britain's 186,000 coalminers deep into debt and bitterness. And the decision of the miners to return to work without an agreement probably will make it difficult to re-establish trust between miners and their masters in the National Coal Board.

NEWS ANALYSIS

In certain areas, Prime Minister Margaret Thatcher's government appears to be the clear winner.

"One lesson is that the country can survive a long coal strike" without disastrous consequences for the economy, said Christopher Johnson, economic adviser to Lord's Bank, Britain's fourth-largest bank. In 1974, a much shorter coal strike caused such disruption that it helped bring down the Conservative government of Prime Minister Edward Heath.

Now, Mr. Johnson said, the "oil crisis has demonstrated that most of Britain's trade unions are not prepared to act collectively to press one another's aims."

In addition, the government avoided the appearance of caving in to the miners, though many observers say that the union could have claimed a victory if it had accepted the peace formulas floated by the coal board last summer.

After this week's forlorn return to work, "it's hard to see the miners going on strike again for years," a British labor-relations professor said.

The Confederation of British Industry hopes that the strike has convinced workers that profitless operations must be closed and that the government "just doesn't have a pot of gold at the end of the rainbow," said John Dunkley, a spokesman for the employers' group.

Others are more skeptical. Anthony Sampson, author of the "Anatomy of Britain" series, contended that the strike may prove to be a Pyrrhic victory for Mrs. Thatcher. The danger, he said, is that the ordeal has worsened the rift between the tattered industrial north of Britain and the generally prosperous south, making northern workers even less likely to accept the government's free-enterprise evangelism.

At least in the mining villages, the bitterness is likely to remain for years. Union loyalists say they still remember whose forebears broke ranks in the strike of 1926. "These people will be completely tarred for the rest of their lives," a Scottish union official said last summer of miners who shunned the latest strike.

The coal board, meanwhile, must deal with a sullen work force. Arthur Scargill, president of the union, has warned that miners will wage guerrilla warfare against the board.

Despite such threats, the board is refusing to grant a general amnesty to the 718 miners fired during the strike.

The economic costs of the strike also have been high, though Nigel Lawson, chancellor of the exchequer, has described them as a worthwhile investment.

The costs included the added use of fuel oil at power stations and the deployment of thousands of policemen to try to keep order in the coalfields. In all, the stockbrokerage of Phillips & Drew estimates, the strike costs added \$2.5 billion (\$2.7 billion) to the public sector borrowing requirement, a broad measure of Britain's government budget deficit.

A more serious worry is that the coal board will have trouble winning back customers that have grown used to using imported coal or oil and do not wish to risk another disruption in supplies. The state-owned British Steel Corp., for instance, has found that it can import high-quality coal with very little difference in cost, industry officials say.

So there is little gloating at the coal board's headquarters.

"There isn't anything to celebrate," a board official said. "This is the end of one phase. The next phase is to get the industry back into shape as quickly as possible."

Scargill Vows 'War' On Board

Panel Insists It Won't Rehire Dismissed Miners

United Press International
LONDON — The leader of the British miners' union, Arthur Scargill, vowed Monday that his union would wage a "guerrilla war" against the National Coal Board despite a vote by union delegates Sunday to end the strike and return to work.

The coal board said about 900 miners went back to work Monday. Speaking on a television program, Mr. Scargill said he was "so proud" of the miners that "I am bursting." Their 51-week strike was the longest major industrial dispute in British history.

Union delegates voted Sunday by a narrow margin to return to work Tuesday without an agreement about mine closures with the state-run National Coal Board. The vote went against the recommendations of the executive committee of the union and of Mr. Scargill.

The delegates made their decision after a surge back to work by thousands of miners in recent weeks. Only about 90,000 miners were still on strike before Sunday's meeting, according to coal board figures.

The strike began March 12, 1984, to protest plans to shut 20 of Britain's 174 coal pits that were losing substantial sums of money and to eliminate 20,000 jobs.

"People must understand that the greatest battle has been the struggle itself," Mr. Scargill said. "You have won the greatest battle of all by struggling against this government's policies."

He said that the National Union of Mineworkers' "campaign against pit closures and job losses will go on."

"Miners will now conduct a guerrilla war against the board," he said.

He did not explain what action he had in mind.

Mr. Scargill, a Marxist, said the country's 186,000 miners would be "infuriated" if the board refused to make pay raises while any disruption of the industry was carried out.

A coal board spokesman said: "The surprising thing is that we had any return at all."

Michael Eaton, the spokesman, repeated an earlier statement that there would be no reinstatement for those miners dismissed for "crimes of violence and serious damage against the coal industry."

About 700 miners were dismissed, mostly for violence on picket lines during the walkout. The National Union of Mineworkers is asking that they be reinstated.

Prime Minister Margaret Thatcher greeted the news of the end of the strike with "overwhelming relief."

"We had to make certain that violence and intimidation and impossible demands could not win," she said Sunday night. "There would have been neither freedom nor order in Britain if we had given in to violence. There would have been no hope or any prosperous industry if people would have gone on strike for bigger and bigger subsidies."

The strike provoked two national dock strikes, a one-day rail strike and some of the worst industrial violence that Britain has known. At least two persons were killed and 1,746 injured in confrontations at pit gates between striking miners and police. A total of 9,750 miners were arrested.

Shiite Moslem Leader Killed in Lebanon Blast

By Edward Walsh
Washington Post Service

JERUSALEM — An explosion ripped through a Moslem Shiite religious and community center in the southern Lebanon village of Marakab on Monday, killing 12 people, including a local leader of the Lebanese resistance to Israel's occupation of the area.

The explosion, at 10 A.M., occurred during a reported meeting of leaders of the Moslem Shiite Amal militia, which has been in the forefront of attacks on Israeli forces, and village residents.

Killed in the blast was Mohammed Saad, 25, who was described by southern Lebanon sources as an "extremely important" Amal leader who was believed to have planned and coordinated many of the attacks on Israeli units in the area.

There were unconfirmed reports that Khalil Jarradi, another prominent Amal leader from Marakab, was also killed.

The incident came less than 30 hours after the last units of a large Israeli force left Marakab after a search of the village. Reports quoted village residents as accusing the Israelis of planting a bomb in the center during the search, but this was denied by the Israelis.

In a statement issued in response to questions, the Israeli Army spokesman's office said, the Israeli Defense Forces categorically deny "the charge that the IDF was involved in the explosion in Marakab today."

"No IDF soldiers were present today in the village," the statement said.

Israeli military officials said the explosion was caused by a car bomb, but Timur Goksel, the spokesman for the United Nations force that is stationed in southern Lebanon, said the blast occurred on the second floor of the center, where the reported meeting was taking place.

Mr. Goksel said UN officials had confirmed that 12 people were killed and 25 wounded in the explosion. Other reports put the number of wounded at more than 40.

Mr. Goksel said the UN sent evacuation helicopters and 12 medical teams to Marakab, and later sent heavy construction equipment to the village to clear away the rubble. Reports said an outer wall of the center had been blown away.

Marakab is one of a string of Moslem Shiite villages in the hills east of the port city of Tyre where there has been a recent escalation in attacks on Israeli forces and a severe Israeli crackdown in response to those attacks.

As part of the crackdown, an Israeli force of about 800 soldiers and civilian security agents Saturday entered Marakab, where they questioned about 350 men, arrested 17 of them and blew up three houses after searching the village.

Mr. Jarradi, 25, who may have been involved in the explosion, was not among the dead.

(Continued on Page 2, Col. 2)



CHILE HIT BY QUAKE — A resident of Santiago inspects his car after it was damaged in an earthquake that killed 124 people in central Chile. Page 2.

In Lebanon, a Boy Is Wounded in a War Between Reluctant Soldiers and Guerrillas

By Nora Boustany
Washington Post Service

BRAJQAA, Lebanon — "You killed him, you killed him, my only son," the Lebanese woman screamed as she ran toward an Israeli patrol that had fired at her car in the mistaken belief that it was carrying terrorists.

A few minutes later, two reporters who were being held by the Israeli patrol tried to comfort the mother and aid her 11-year-old son, unconscious and bleeding from a bullet wound in his forehead.

What had begun as an attempt to visit Marakab, a southern Lebanese village near Tyre that was raided by the Israeli Army on Saturday after guerrilla ambushes of Israeli troops, made the reporters unintended participants Sunday in the hostilities that have engulfed the area as Israel tries to protect its departure and Shiite Moslem guerrillas press their attacks.

Before being released after three and a half hours and allowed to return to Beirut, Julie Flint, of ABC Radio, and this reporter had long conversations with the young Israeli soldiers who detained us, and saw them taken into custody by Israeli forces, we were never asked our names or occupations or told to present any identification papers.

and we did not volunteer the information that we were journalists.

Israel, whose troops have been ambushed repeatedly in the area around Tyre, has repeatedly warned that it would act to protect the lives of its soldiers in southern Lebanon. It has said that the crackdown in recent days was a response to an escalation in Shiite attacks on its troops.

At least 133 guerrilla attacks against Israelis and their allies were reported in February, and 17 have been reported this month.

There was no report of the shooting of the Lebanese boy from Israeli officials. In Tel Aviv, a military spokesman said that grenades had been fired at an Israeli position near Tyre, in a separate incident, causing no injuries.

We had driven from Beirut to an Israeli checkpoint at Froun, about 14 miles (22 kilometers) east of Tyre, a Mediterranean port city, and were stopped just south of the Litani River, the present Israeli line, about 25 miles north of the Israeli-Lebanese border.

An Israeli soldier said that no cars could pass. Fearful of the increasing raids against their forces, the Israelis were trying to keep men and cars from crossing into the regions they still occupied.

We insisted that our driver, Mohammed, take a little-known route just north of the Israeli line to Zarzari, the last Lebanese Army position before Israeli lines. Truck drivers and women working in the fields warned that there were Israelis ahead, but we kept going.

We had just passed through Qasbiyeh, where villagers had warned us about Israelis, when Israeli soldiers in the road, waving submachine guns, forced us to halt.

The 18-year-old commander of the seven-man unit,

Giddi, ordered us into an open-sided farm hut. The soldiers questioned us repeatedly about whether we had seen a white Mercedes that had blocked the road. They suspected guerrillas were trying to ambush them.

The Israeli soldiers, clearly tense and referring to a plastic-covered map to pinpoint where they were, said they were not wearing bullet-proof vests because they were too heavy to walk in.

They asked what we were doing. We said that we were traveling to the Tyre area to have lunch. We were both wearing jeans and baggy sweaters.

One of the Israeli soldiers, who said he originally came from England, said, "We're sorry about this."

Giddi asked our ages, radioed his commanding officer and said he could not let us go because we might give him and his men away to the terrorists.

There was talk and denial by the soldiers about killing guerrillas and it was difficult to tell when they were being serious or playing games. There was a lot of chuckling and furtive looks between them as well as Hebrew conversation that we could not understand.

Ari, 21, whose parents were French, asked me if I were

French. I told him I am Lebanese and my companion, who is British, said that I am a Christian Maronite.

They told us they had girlfriends in Israel and that coming to Lebanon had been a mistake. Ari, who was guarding the roof of the hut from a scaffolding, repeated the word "mistake" many times.

Then a white car drove up.

One of the occupants tried to open the door. As the Israeli soldiers shouted at them, three young Lebanese Shiite men walked toward us with their hands raised. They were taken to an adjacent room in the hut and were asked in halting Arabic for their names and birthdates. The information was relayed to Israeli commanders. After questioning them, Giddi rejoined us.

Not until an hour later did Giddi search their car. Grinning and shouting in Hebrew, he looked at us and said, "Guess what, they are the terrorists. I saw three Kalashnikovs in their car." Kalashnikovs, Soviet-designed assault weapons, are commonly used by the guerrillas.

The other soldiers, yelling and calling names in Arabic, started to kick the three men in the genitals and their lower backs. Ari, an Israeli medic, tied their hands behind their backs with a wire. One of them started bleeding.

The three were identified as Hassan Sabra, 19, from Qanayra, Youssef Abu Zaid, 20, from Kfar Rumman and Baed Maatouk, 19, from Dir Charbiyeh, where Israelis killed seven guerrillas last week.

Mr. Maatouk, after being slapped around, said that they had been given 50,000 Lebanese pounds each (about \$3,200) by Abu Ali Hammond, an official in West Beirut of Amal, the Shiite militia, to carry out an operation

against Israeli soldiers. Mr. Abu Beid and Mr. Sabra began trembling and turned pale.

I was asked to help translate their answers. The Israelis wanted to know if there was a bomb in the car. Mr. Maatouk said there was only one rocket. Ori checked and found a rocket-propelled grenade and two land mines.

The three Lebanese said they had been told to shoot down an Israeli plane.

With their hands tied behind their backs, Mr. Sabra and Mr. Abu Zaid were kicked in the stomach and the genitals again.

Ori, seeing us gasp, said: "I'm a medic. I don't like this any more than you do. Believe me I don't like it, being here, but look at them. I am young and I want to stay alive. It makes me angry."

Nothing blood dripping from Mr. Sabra's hands, he bandaged him carefully. Mr. Sabra vomited and collapsed. Mr. Sabra pleaded with me to have the Israelis send him a doctor.

Ori, concerned about Mr. Sabra's condition, asked me to inquire how he felt.

"Tell them," Mr. Sabra said, "that we are on a mission just like them. It's not our fault. We are just like them."

A few minutes later, the Israelis stopped a man walking down the hill with crutches and took him to the cubicle with the guerrillas.

Suddenly from the scaffolding, Ari began shooting at an approaching car, about 70 yards (64 meters) away.

We could see and hear, clearly that the occupants

(Continued on Page 2, Col. 1)

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Shamir Backs Cabinet on Second Pullback

But Israeli Official Indicates Reservations on Supporting Final Withdrawal

By Edward Walsh
and Jim Hoagland
Washington Post Service

JERUSALEM — The Israeli cabinet decision Sunday to order the second stage of its troop withdrawal from southern Lebanon was supported this time by Yitzhak Shamir, the foreign minister and leader of the rightist Likud bloc in the national unity government.

Mr. Shamir said he reversed his earlier vote opposing the withdrawal plan because there was "no use in making proposals without any chance of getting them through the cabinet."

But Mr. Shamir, in an interview, stressed that he still had doubts about the wisdom of the timing of the withdrawal. He indicated that he was reserving judgment on supporting the final stage of withdrawal to the international border until he learned how the army proposed to protect civilians living in northern Israel from terrorist attack.

"I hope the army will find an answer to this before we reach the international border," Mr. Shamir said. "We still have a few months."

Mr. Shamir was prime minister in the previous Likud government and is due to return to that office under the coalition agreement with the Labor Party.

He said the retaliatory raids in southern Lebanon against Shiite villages were intended to give the Shites "a lesson for the future."

Mr. Shamir said he "would like to believe" that President Hosni Mubarak of Egypt was sincere in offering new proposals for peace talks, but he added cautiously, "We are not naive."

He said that Mr. Mubarak was going to the United States to seek new aid from a Congress concerned about the lack of progress on Egyptian-Israeli issues.

He predicted that Egypt and Israel would reach agreement "very soon" on an interim status for the disputed town of Tabah on the Gulf of Aqaba. He suggested a ministerial-level conference to try to reach a "package deal" that would resolve the final status of Tabah and all outstanding bilateral disagreements.

Mr. Shamir warned that American failure to provide \$800 million in supplemental aid that has been requested for fiscal 1985 would have grave effects on the Israeli economy, which is beginning to respond to the belt-tightening measures that the government has carried out since taking office in September.

Mr. Shamir was a senior member of the Likud government that ap-

proved the invasion of Lebanon in 1982, but that government did not draw up a withdrawal plan. He joined five other Likud members of the cabinet in voting against the withdrawal plan presented Jan. 14. Sixteen ministers voted for the three-stage plan.

The second stage that was authorized Sunday calls for the Israeli Army to evacuate positions in eastern Lebanon and to pull back to a line that runs just north of the town of Hasbaya. The first stage of the withdrawal, in which Israeli troops left the Lebanese port city of Sidon and the surrounding area in the west, was accomplished Feb. 16.

The first and second stage pullbacks will still leave the Israeli Army well north of the border, posing no immediate threat to northern Israel. Thus, the second stage vote was neither as risky nor as controversial as a decision to complete the withdrawal plan will be.

Nevertheless, Sunday's unanimous cabinet vote was evidence of the strong sentiment in Israel to complete the withdrawal as soon as possible. The only indication of continuing opposition came from two former Likud defense ministers — Ariel Sharon, now the minister of industry and trade, and Moshe Arens, now a minister with-

out portfolio — who did not vote on the issue.

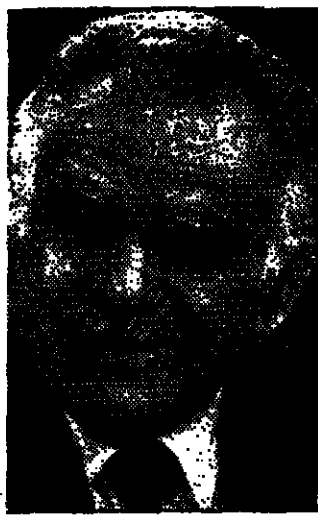
In the interview, Mr. Shamir said he would not criticize Prime Minister Shimon Peres' initial favorable response to the Mubarak proposals. From the outset, Mr. Shamir has shown more skepticism toward Mr. Mubarak's initiative than has Mr. Peres.

Mr. Shamir insisted that the Egyptian envoys who visited Jerusalem last week had not presented formal proposals to the Israeli government, but had merely engaged in general discussions about Egyptian-Israeli relations.

In interviews with American and Egyptian newspapers last week, Mr. Mubarak outlined proposals for involving Palestinian representatives in peace talks that would include, in different stages, Jordan, Egypt, the United States and Israel.

Mr. Peres responded favorably to a report that said that Mr. Mubarak had called for direct talks between an Arab delegation and Israel. But he rejected Mr. Mubarak's subsequent formulation calling for a first stage of talks between the United States and a delegation of Jordanians and representatives of the Palestine Liberation Organization.

Mr. Shamir insisted that any new negotiations be conducted under



Yitzhak Shamir

the terms of the Camp David peace accords, which call for a five-year interim period of autonomy for the Palestinians of the West Bank before the final status of that territory is decided. King Hussein of Jordan has already rejected negotiations on that basis.

But Mr. Shamir seemed to be more optimistic that the impasse Egypt and Israel have reached over Tabah could be resolved soon as part of a general improvement of Egyptian-Israeli relations.

"We have paid a heavy price for peace with Egypt," he said. "We have to give some substance to this peace. It has to become a real peace."

Earthquake Hits Chile; 124 Dead, 2,000 Hurt

The Associated Press

SANTIAGO — A major earthquake has struck the larger cities in central Chile, and the government said at least 124 people have been killed and 2,000 injured.

The capital, Santiago, and the Pacific coast cities of Valparaiso and Viña del Mar, which have a population of about six million, appeared to be the hardest hit by the quake, which struck at 7:47 P.M. Sunday. Deaths also were reported in the cities of Rancagua and San Antonio.

Within six hours, Santiago residents had felt about 48 aftershocks, some of them so strong that they rocked tall buildings. Milder tremors continued through the night and early Monday.

The government imposed a midnight to 5 A.M. curfew in the earthquake zone to prevent looting.

At midmorning Monday, a government spokesman announced that the death toll had been raised to 124, counting only newly found victims in Santiago and Valparaiso. As communications are restored and reports arrive from remote areas, the government feared the death toll would increase. Officials said that at least 2,000 people were hurt.

Melipilla, a town southwest of Santiago, was heavily damaged, the government said.

The situation in dozens of small rural communities in central Chile remained confused because of the communications failures.

People camped in the debris in city streets, away from their weakened homes. "The authorities wanted that while in many of the adobe homes in towns near Santiago were cracked and that they might collapse in the aftershocks."

Ten people died when the front section of a church collapsed during Mass in San Bernardo, just outside Santiago, according to Jaime Garcia, governor of the capital.

The quake shook Santiago for about five minutes. José Carcamo, who lives on the sixth floor of a central Santiago apartment building, said: "All of a sudden, this huge cloud of reddish dust came from nowhere. I thought it was the end of the world."

Chilean officials said the quake's epicenter was 25 miles (about 40 kilometers) off the coastal resort city of Algarrobo, 88 miles north-west of Santiago.

In a nationwide radio and television address Monday, President Augusto Pinochet announced the appointment of a committee to coordinate assistance to the homeless and restore basic services.

President Pinochet called on Chileans to "remain calm as you have done in the last difficult hours, and to show solidarity to your brothers who have been hit by tragedy."

Electrical power was knocked out and telephone lines were jammed in Chile, making it difficult to gather information. Electricity was restored in Santiago after a cut of nearly three hours.

The National Earthquake Information Center in Golden, Colorado, said the quake measured 7.4 on the Richter Scale.

Boy Is Wounded in War Of Reluctant Players

(Continued from Page 1)

included women. Ari cheered, clapped his hands and shouted, "I hit the driver!"

I ran out of the hut to see what was happening. Women were crying. The doors of the car opened. One of the women waved a white handkerchief.

Running barefoot toward us and screaming, a woman cried, "You killed him, you killed him, my only son. I have no other."

"Why did you do it," she asked, falling to the ground and pounding her head on the grass. "Kill me too. I have five daughters, I waited 25 years to get a son."

Barney Clark's Records Stolen From Hospital

The Associated Press

SALT LAKE CITY, Utah — Dr. Barney Clark's 1,000-page medical record has been stolen along with other memorabilia of the world's first recipient of a permanent artificial heart, a University of Utah spokesman said.

The 18-inch-thick (46-centimeter-thick) record was reported missing last summer by Dr. William C. DeVries, who was preparing to move to Louisville, Kentucky, from Salt Lake City, the spokesman said.

Arsonists Attack Trucks, Railroad Cars in Geneva

Agence France-Press

GENEVA — Six army trucks parked at a Geneva barracks and five rail cars were set on fire in less than 24 hours during the weekend by arsonists claiming to belong to a group calling itself the Autonomous Cells, the police said Monday.

The group has claimed four other attacks in the past five days in Geneva, including setting fire to the building where the leader of the rightist French National Front, Jean-Marie Le Pen, was due to give a speech March 13.

She gave her name as Nur Sadeq. She said that her son, Hassan, 11, had been hit in the head and appeared to be dead and that one of her daughters was wounded. Another daughter had followed her.

Ghidi asked her to drive the mother and her daughter to their car. When we got there, there was no one in it. The father had pulled his son about 30 yards back to get him out of the Israeli's firing range.

The boy had an open wound in the forehead and appeared to be dead. One of his sisters was wounded in the ear.

"He's alive," the father insisted. The boy moved slightly. "Look, he is moving," his mother said. "Please save him. Take him to Israel."

We took them back to the Israeli. Soon, Israeli reinforcements arrived, about 60 men with older officers and two doctors, an ambulance and other vehicles.

Hassan was taken to the ambulance. His mother was screaming. One of the soldiers with Ghidi's unit caressed her cheek as she sat on the road and told her: "Don't be afraid, don't be afraid. The doctors have come, don't worry."

We had no idea what happened to the boy. The three guerrillas remained in Israeli custody.

As we left, the Israelis ordered us to take the man on crutches with us. He told us he had come to check the road because his uncle wanted to drive to Beirut with his truck. He said he would go back once the Israelis had left.

With relief we reached the Lebanese Army checkpoint in Zariye. Suddenly, shots were fired at us by Lebanese Army troops from one side and guerrillas from the other. We stopped the car and threw up our hands, shouting at them to stop.

One of the army officers recognized us and the shooting stopped. We rushed back to the relative safety of West Beirut.

Blast Kills 12 In Lebanon

(Continued from Page 1)

been among those killed, has served as a spokesman for the Amal militia in the area east of Tyre. Before Saturday's search by Israeli Army units, he was quoted in the Israeli press as predicting that there would soon be a search of Marakab but that he would elude the Israeli forces.

Mr. Jaradi also was quoted as promising the Israelis "four suicide raids a week."

"We have huge amounts of explosives and suicidal volunteers," he said.

Israeli military officials said Saturday that large amounts of weapons and ammunition were found during the search of the village, including anti-tank weapons, rocket-propelled grenades, a machine gun and a mortar.

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Secretary of State George P. Shultz, left, greeting Vladimir V. Shcherbitsky, a member of the Soviet Politburo, on his arrival at Andrews Air Force Base for a 10-day visit.

Soviet Politburo Member, In U.S., to Meet Reagan

United Press International

WASHINGTON — A Soviet delegation led by Vladimir V. Shcherbitsky, a member of the ruling Politburo, has begun a 10-day trip to the United States that will include a meeting with President Ronald Reagan.

In an arrival statement on Sunday, Mr. Shcherbitsky, the Ukrainian Communist Party leader, emphasized Soviet commitment to the arms talks due to begin in Geneva next Tuesday.

"A successful outcome of the talks would be a major contribution to solving the first priority and the most important problem of today which is removing the threat of nuclear war," Mr. Shcherbitsky said.

Only one other Politburo member has visited the United States since 1973, Foreign Minister Andrei A. Gromyko.

The delegation was invited by Congress to return a similar tour of the Soviet Union by congressmen in 1983. The delegates are members of the Supreme Soviet, the Soviet Union's nominal parliament.

■ A Classic Commissioner

Serge Schmemmann of The New York Times reported earlier from Moscow:

Mr. Shcherbitsky, a burly, broad-faced politician in the classic mold of the Kremlin commissar, is not expected to attract the attention that Mikhail S. Gorbachev, his younger colleague in the Politburo, did during a visit to Britain in December.

Mr. Shcherbitsky, 67, is not considered a contender for the top Kremlin position because his political base is outside Moscow and because his nationality is officially, Ukrainian, not Russian.

Yet he is thought to have considerable influence in the Soviet leadership. He ranks among the long-serving members of the Politburo, having become a full member in April 1971. The republic he runs, the Ukraine, is second only to the Russian Federation in size and wealth, and Mr. Shcherbitsky is believed to be close to President Konstantin U. Chernenko.

The visit is not expected to generate substantive negotiations, and it is viewed by diplomats and officials in Moscow as an effort by the Kremlin to improve Soviet-American relations on the eve of new arms negotiations in Geneva.

Within the Politburo, Mr. Shcherbitsky has ranked among the hard-liners on the central issue of internal economic change. In contrast, younger, reform-minded colleagues like Mr. Gorbachev, who have called for more economic decentralization and greater attention to market mechanisms, Mr. Shcherbitsky has maintained a staunch Stalinist faith in the power of discipline.

■ Reagan Pushes MX

In Washington, President Ronald Reagan asked Congress on Monday to continue production of the MX missile, arguing it would show U.S. resolve in new arms talks and counter a growing Soviet military threat, United Press International reported.

With a series of votes scheduled on Capitol Hill in the next several weeks, Mr. Reagan signed a report that must be sent to Congress before efforts can be made to release \$1.5 billion in MX production funds approved last year.

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Warsaw Lifts Food Prices By Up to 75%

The Associated Press

WARSAW — Prices of 10 basic food items rose as much as 75 percent Monday in the first stage of the government's phased price-increase plan announced last week.

There were no reports of protests, although Lech Walesa, the leader of the banned Solidarity trade union, said he expected workers to demonstrate their disapproval of the increases, which he called a "deception."

Mr. Walesa said Sunday that he would not initiate protests but would participate in any that might occur at the Lenin Shipyard in Gdansk, where he is an electrician.

"I'll join in if anything goes on," he said. "At any moment, advantageous or not, I am always prepared to join in and lead."

The announcement of a plan to raise prices over four months came three days after the government scrapped plans for across-the-board increases in the face of opposition from Solidarity and from Poland's official trade unions.

In the first stage Monday, the prices of 10 basic staples were increased by an average 35 percent. The cost of tea rose 75 percent, and milk climbed 11 percent.

"This was a deception," said Mr. Walesa. "It is manipulation."

Last week, Mr. Walesa called off plans for a 15-minute nationwide strike after the government said it would revise its plan for raising food prices.

A government communiqué also said rationing for flour and other grain products would be ended and pensions raised to offset the increases.

Stanislaw Ciolek, the government's minister for trade union affairs, denied that the authorities had imposed the price increases despite public opposition.

Critics said they could not accept any major price hikes at one time, he said on Polish television. "We have largely met this request by dividing the increases and implementing them gradually."

In a separate broadcast, Polish TV accused Mr. Walesa of attempting to "cause unrest" over the price issue.

"He calls for unrest, but adds he is not proposing any protests," said a commentator on a Sunday evening news broadcast. He added: "He tries to safeguard himself and avoid taking responsibility."

Unannounced food-price increases caused workers' protests in 1970 and in 1976. In 1980, similar protests in Gdansk and other cities led to the formation of Solidarity.

U.S. High Court Rules Indians Can Pursue Claim

United Press International

WASHINGTON — The Supreme Court, in a decision Monday that could have profound impact on Indian land claims throughout the eastern United States, narrowly upheld the right of the Oneida Indians to pursue a 189-year-old claim in New York.

The court ruled, 5 to 4, that the Indians had a right to pursue their claim against two New York counties and were not barred by a statute of limitations.

The case at the court was a narrow one, involving 87 acres (about 350 hectares) in Madison and Oneida counties in New York and the use of the land by the counties, mostly as highway, for two years. However, the issues are similar or identical to other cases in the eastern United States in which a large amount of land is at dispute.

In an opinion written by Justice Lewis F. Powell Jr., the court said "the Indians' common-law right to sue is firmly established."

"Hanging over the Oneidas has been a cause of action under federal common law," Justice Powell wrote. "We address the question of whether there are defenses available to the counties. We conclude that none has merit."

■ Firebombings in Guadeloupe

POINTE-A-PITRE, Guadeloupe — Four firebomb attacks caused heavy damage but no injuries here, police said Monday. There was no immediate claim of responsibility.

■ 55e Salon de l'auto Genève 7-17.3.1985

Genève 7-17.3.1985

WORLD BRIEFS

British, Irish Armies Search Border

BELFAST (AP) — British and Irish troops, backed by helicopters, searched the Irish border Monday for IRA guerrillas who have killed police officers and a soldier in recent days.

Security officials gave few details of the operation along 80 miles (1 kilometer) of the frontier between Newry, Northern Ireland, where in police officers were killed in an Irish Republican Army mortar attack Thursday, and County Fermanagh, where IRA gunmen shot and killed Roman Catholic police sergeant Sunday outside a church where he was attending Mass.

"It's a major operation, and we're coordinating our efforts with the Irish Army and police on their side of the border," said a British Army spokesman. In Ireland, police sources said that raids were carried out in isolated farmhouses and other suspected guerrilla hideouts. But arrests were reported.

Palme Blames Britain for Acid Rain

REYKJAVIK (Reuters) — Prime Minister Olof Palme of Sweden Monday said that British industry was the cause of much of the pollution affecting the Nordic countries and urged Scandinavia to increase pressure on Britain to act against "acid rain."

In a speech prepared for the 33rd annual session of the five-nation Nordic Council, Mr. Palme deplored Britain's refusal to join 20 European countries committed to reducing sulphur emissions 30 percent by 1990. "The evidence that pollution is destroying our forests, our land, seas, lakes and rivers is overwhelming," Mr. Palme said. He stopped at repeating earlier allegations that Britain was waging environmental war on its neighbors. In December, the council members, Sweden, Norway, Denmark, Iceland and Finland blamed Britain for lack of cooperation in international moves to reduce pollution.

East Germans Getting Visas for West

BONN (Reuters) — A number of East Germans who camped out West German embassies last year to press for the right to emigrate have already gained exit visas and arrived in the West, the Bonn government said Monday.

A spokesman for the Inner-German Relations Ministry said the first more than 200 people who had sought refuge in missions through Eastern Europe had crossed the border in February. He refused to give figures, saying that the Bonn government felt discretion was vital in interest of those still waiting to leave. East Germans seeking to emigrate moved into Bonn's embassies in Prague, Warsaw, Budapest and Bucharest last year.

All East German emigrants have to register at West Germany's transit camp at Giessen. The head of the camp, Heinz Duerr, said that 30 to 40 people were arriving each day and that the number was slightly above average. He said he could not estimate how many of the arrivals had been involved in the embassy protests.

Shot Is Fired at U.S. Justice's Home

WASHINGTON (UPI) — Justice Harry A. Blackmun of the U.S. Supreme Court, who has received numerous death threats for writing the high court's opinion legalizing abortion in 1973, confirmed Monday that a shot had been fired through a window of his home last week.

In a statement issued by his office, Mr. Blackmun confirmed that one shot had been fired Thursday through a front window of his home in Arlington, Virginia. No one was injured. The Federal Bureau of Investigation is investigating the incident.

A source familiar with the incident said Mr. Blackmun and his wife were sitting in the room shortly before the shot was fired. Mr. Blackmun had just walked out of the room when the shot was fired. Mrs. Blackmun, who was described as "quite upset," was showered with glass. The bullet, which police said was a 9-millimeter slug, was found embedded in a chair.

Iran Says Iraq Attacked Nuclear Site

NICOSIA (AP) — Iraqi military planes attacked the construction of an Iranian nuclear power plant at Bushehr on the Gulf, and killed persons in a separate raid Monday on a gasoline station and steel plant, the official Iranian news agency reported.

The agency, which is monitored here, said the Iraqis fired a missile at the nuclear plant, causing "some damage" but no casualties. It was at least the third attack on the plant in the past year. It said that Iraqi planes earlier had bombed the gas station and steel plant in Ahwaz, capital of the southern Iranian oil province of Khuzestan. The jets fired six rockets at the Ahwaz targets, killing 11 persons, wounding 30, the agency said. It added that three units of the steel plant were damaged.

U.S. to Reduce Lead in Gasoline

WASHINGTON (AP) — The Environmental Protection Agency Monday would require that virtually all lead be removed from gas this year.

The federal agency announced final regulations reducing the permissible lead concentration in gasoline from the present 1.1 grams per gallon (4.3 liters), to 0.5 gram on July 1, and to 0.1 gram next Jan. 1.

A spokesman said the EPA was continuing to consider a ban on lead gasoline by 1988. Further review of the relationship between lead and various health problems and lead's role as a lubricant in gas engines, he said.

Ex-U.S. Defense Official Pleads Guilty

WASHINGTON (AP) — The former deputy defense secretary, N. Thayer, and a Texas stockbroker, Billy Bob Harris, pleaded guilty Monday in federal court to charges of obstructing justice under Securities and Exchange Commission investigation of insider trading.

U.S. District Judge Charles Richey set April 18 as the date for sentencing. Both men face a maximum sentence of five years imprisonment and a fine of \$5,000.

Prosecutors charged that Mr. Thayer, while chairman of the board of chief executive officer of LTV Corp. in Dallas and a member of the board of Amherst-Busch Co. of St. Louis, and Allied Corp. of Morris, New Jersey, passed confidential nonpublic information to Mr. Harris.

Angolan Rebels Claim Downing of Jet

LISBON (AP) — Angolan rebels said Monday that they shot down a government jet last week, killing all 26 persons aboard, but the air carrier TAAG said there was only a minor accident with no one hurt.

The Lisbon-based European spokesman for the National Union for Total Independence of Angola said that the Boeing 737 was hit by a anti-aircraft fire Wednesday as it took off from Luanda for the capital, 470 miles (760 kilometers) to the north. The spokesman said passengers and crew, including top government and military officials, perished in the crash.

For the Record

Kakuei Tanaka, a former prime minister of Japan, will require three months to recover from a stroke he suffered Wednesday, doctors said Monday. They had said earlier that Mr. Tanaka would be back on feet in three to four weeks.

Foreign ministers of the Organization of African Unity ended a week-long meeting Monday in Addis Ababa, Ethiopia, by agreeing to a summit meeting in Addis Ababa from July 18 to 21 to seek remedies for falling food output, stagnant economic growth and widespread hunger because of drought.

Clashes between supporters of Prime Minister Rajiv Gandhi and governing party in the Indian state of Andhra Pradesh left two persons dead Monday, the day before seven state elections, officials said. A riot of polling in four states Saturday caused at least 20 deaths and injuries, all in the eastern state of Bihar.

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OLD BRIEFS

Armies Search

British and Irish troops, backed by the army, searched for IRA guerrillas who had been active in recent days.

Details of the operation along the border between Northern Ireland and the Republic of Ireland were given on Sunday.

and we're coordinating our efforts with the British army, said a source. The source said that the IRA had been active in the area.

Prime Minister Margaret Thatcher said that the IRA had been active in the area. She said that the IRA had been active in the area.

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Meese Suggests Crime Might Drop if Career Felons Are Jailed Longer

By Loreta Tofani
Washington Post Service

AMELIA ISLAND, Fla. — In his first speech as attorney general, Edwin Meese 3d has told a group of prosecutors that the United States is at a "particularly critical juncture" in the quest for public safety.

Mr. Meese said Sunday that the "statistical proof of the revolving door" for criminals entering, exiting, and re-entering the criminal justice system "gives validity, I think, to the need for new theories, new plans, new systems which will educate, punish, and protect the public more effectively than the traditional methods of handling criminals."

The attorney general did not say directly what types of methods he would endorse. But he said he felt that crime had decreased during the past couple of years because more people were going to jail or prison and because career criminals were being held in prison for longer periods of time.

He also lauded the Supreme Court's vote in July that gave "recognition of a good-faith exception to the exclusionary rule" evidence he had sought refuge in. Meese said the border in February. He said that the government felt that the border was a "particularly critical juncture" in the quest for public safety.

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SELMA REVISITED — More than 2,500 marchers crossed the Edmund Pettus Bridge in Selma, Alabama, on Sunday to mark the civil rights march of March 7, 1965, when 600 black protesters were routed by state troopers. They were led by, from left, John Lewis, an Atlanta councilman; the Reverend Jesse L. Jackson, and the Reverend Joseph E. Lowery, the president of the Southern Christian Leadership Conference.

House Democrats' Meeting Is Stormy
Some Call Speaker a Racist; Others Are Upset About MX

By Jonathan Fierbringer
New York Times Service

WHITE SULPHUR SPRINGS, West Virginia — After a weekend meeting among House Democrats to begin a party revival, a search for new policies and a push for unity, the Democrats were still having their usual share of squabbles.

Lee A. Iacocca, chairman of Chrysler Corp., one of several experts brought in to address the 135 Democrats, just over half the Democratic membership of the House, angered several members with a speech about free trade that focused on Japan.

There was also some dissent over the sponsorship of the meeting, National Legislative Education Foundation Inc., a private group that gets its money from corporations and unions, paid for 60 percent of the estimated \$170,000 cost of the conference.

"That is the exact opposite image we want," said Representative Mike Lowry of Washington. Also, to the embarrassment of some, all the sessions were closed to the public and the press, except for one.

That was a presentation by David R. Gergen, the former director of communications in the Reagan White House, who was brought in to explain why the Reagan administration has been so successful. Mr. Iacocca's speech to the Democrats was closed to the press, but several people who were present said it contained language of offense to the Japanese.

Representative Robert T. Matsui of California, said that Mr. Iacocca was trying to create "an anti-Japanese feeling."

"I don't like people who try to exploit this issue," Mr. Matsui said. He called Mr. Iacocca a "racist" and said "he was saying the same thing my parents heard and I heard before we were sent to internment camps."

Several people who heard the speech said Mr. Iacocca used the word "sayonara" in a way that was offensive to the Japanese.

Representative Jim Wright, the majority leader, who said Mr. Iacocca's speech outlined the problems of the trade deficit "eloquently," said he told Mr. Iacocca of the criticisms. Mr. Wright quoted Mr. Iacocca as saying that he "didn't intend to be a racist" and that he was "dreadfully sorry."

According to another report of the speech, Mr. Iacocca said: "The Japanese are coming in. While we're trying to deal with things in the front yard, they're in the back yard taking over the country."

Between speeches from a range of experts, who spent much of their time telling the Democrats what they were doing wrong, the coming vote on the production of 21 new MX missiles was one of the chief topics. President Ronald Reagan was expected to send his request for approval of production of the 21 missiles to Congress on Monday.

Representative Les Aspin of Wisconsin, chairman of the Armed Services Committee, said he was still undecided on his vote.

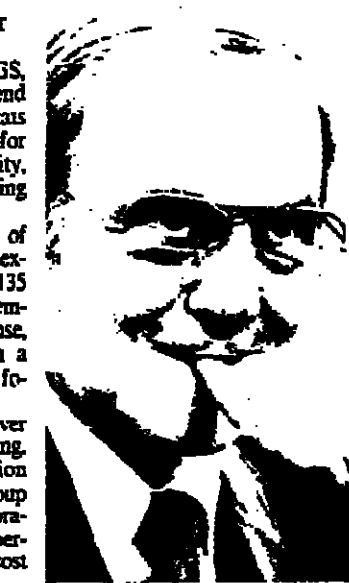
But several House Democrats who supported Mr. Aspin in his unseating of the (former committee chairman, Representative Melvin Price of Illinois, are saying that Mr. Aspin plans to vote for the MX, breaking an agreement they said he made in exchange for their support.

Mr. Wright said the vote would be close, adding that the beginning of the Geneva arms talks next week "would increase the likelihood it would be approved in each chamber."

Mr. Wright said in the next several weeks the leadership would canvass Democrats on specific spending cuts to reduce the federal budget deficit. On the trade deficit, he said the leadership would appoint a task force to study solutions.

On the farm crisis, Mr. Wright said the House was expected to pass the emergency credit proposal, aimed at helping farmers obtain the financing they need for spring planting.

Then, referring to President Reagan's threatened veto, he said, "If he vetoes or signs it, farmers will at least understand who their friends are in the Democratic Party."



Lee A. Iacocca

As Farms Wither in Middle America, So Do the Small Towns

By Larry Green
Los Angeles Times Service

VERDIGRE, Nebraska — Main Street windows display the signs of trouble in rural America.

Notices taped on plate glass storefronts announce the sales of farms and farm equipment. This week, one next week, three the week after.

The town's bank failed last year. One of the two gas stations is closed. So is the laundry and the local Chevrolet dealer. One farm supply store is threatened with foreclosure. Another farm supplier expects to file for bankruptcy later this week.

A sign in the window of Heaton's Food Center says: "Verdigre is farmers and business working together." But these days, Verdigre townspeople and farmers are withering together.

And Verdigre, population 650, is not alone.

Throughout the Midwest's grain belt, thousands of small towns — once the mainstay of traditional American values; grist for writers such as Sinclair Lewis and Sherwood Anderson; and way stations for millions who migrated from farms to urban centers — are endangered.

Small town Middle America and its Main Street businesses are being eroded by the same waves of change that are washing fam-

ily farmers from the land. High interest rates, low commodity prices, a decline in foreign trade, falling land values and ineffective government programs are causing family farms to collapse at rates unseen since the Depression.

Larry D. Swanson, former director of the University of Nebraska's Great Plains Policy Studies office, said: "If we have a 30 percent decline in farm population over the rest of the 1980s, as many suggest, it will mean economic and social demise for many communities."

Some small towns, said Mark R. Drabent, senior economist for the Federal Reserve Bank of Kansas City, "are not going to be viable when this is all over with."

The change for towns will come slowly. It will take a while before whole towns disappear. But the ripple effect of the vanishing family farm can already be seen.

A recent survey by the Federal Reserve Bank of Kansas City found that one out of every five rural nonfarm businesses is experiencing "severe" financial problems, nearly double the rate reported a year ago. In the past six months, 2.9 percent of rural businesses have failed. That is twice the normal rate.

The collapse of rural business, coupled with the collapse of family farms, has long-term implications for local, county and state heartland governments.

"The tax base is declining," said Steve C. Williams, a research analyst with the Nebraska Department of Economic Development, "and that means it's much more difficult to maintain basic infrastructure and public services like water and roads."

Verdigre, which won an "All-America City" award in 1971 because of the amenities it provided its population, can no longer afford to repair potholes. It has stopped street paving and curb installation programs.

"One of the most devastating things we're finding is the outlook of people in these small communities," said J.M. Whitmer, an Iowa State University political scientist who works with rural local governments. "People feel there is no future there. It ripples into churches, bond issue votes. People put important things off for a year like school construction, road work, bridge repair."

Other institutions will feel the effects as well.

Local school districts will be unable to maintain their autonomy because of declining enrollment, leading to reduced state aid.

"Kids growing up in these small communities don't see their future there," said Mr. Williams, the researcher. "Towns under 5,000 are rapidly losing their younger people and the balance of their population is increasingly elderly."

The collapse of family farms is hurting churches, too. A University of Nebraska agricultural economist, Paul Giesman, who conducted a seminar for rural pastors recently, said:

"They were talking about merging, about how they couldn't see how they'd pay their ministers in the next few years. These churches, and social institutions like garden clubs and women's clubs, are doomed to disappear."

The effects will reach county government in a few years when tax revenues begin to decline as a result of Main Street business losses. This will result in reduced law enforcement and less road maintenance, or into higher taxes for those who remain. Already, schools, counties and states are beginning to feel the pressures from reduced income because land values have dropped and are generating lower property taxes.

"There is a potential for a collapse of the total economy in some areas of Nebraska," said Larry L. Bittner, a University of Nebraska farm management specialist. "So many people are going out of business that there are no buyers for land or machinery."

Main street businesses, the feed dealer, the grocer, are feeling it," he said. "Some of the towns can't survive. I don't know that they'll become ghost towns but they'll be nothing like they were."

offices of U.S. attorneys and in Drug Enforcement Agency offices here and abroad, most officials said little could be done to protect the agents. Danger is part of their job.

"It's an escalation of the drug-trafficking battle," Mr. Mullen said. "They make a mistake when they do it. They'll end up the losers."

In Mexico, law enforcement officials said Mr. Camarena was involved in an investigation that inflicted huge losses on drug traffickers. Because of Drug Enforcement Agency efforts, one group recently lost \$26 million and 6,000 pounds (about 2,700 kilograms) of cocaine. In November, 10,000 tons of marijuana plants

were seized in Chihuahua. Colombian police said they seized 40,000 pounds of cocaine and its precursor products last year and destroyed 27.5 million coca plants and 262 cocaine labs. The first four Colombians were extradited to the United States and appeared in federal courts here and in Miami last month.

Security Stepped Up

Security at border stations between the United States and Mexico was stepped up and nine border crossings were closed Saturday night after threats were made against U.S. Customs Service agents, officials of both countries said Sunday, according to a New York Times report from Mexico City.

word began circulating that the reputed leader of the Colombian drug racket, Carlos Lehder Rivas, had financed one or more assassination squads being sent to the United States to kidnap, torture and murder agents of the Drug Enforcement Agency.

Federal law enforcement sources said that information indicated that some Colombians were also interested in blowing up agency offices or other federal buildings.

Colombian drug smugglers have announced that they will kill five Americans for every alleged drug trafficker extradited to the United States.

On Feb. 7, a veteran Drug Enforcement Agency agent was kidnapped from a street in Guadalajara, Mexico. The agent, Enrique Camarena Salazar, who had been involved in a successful investigation of local cocaine and marijuana traffickers, is presumed dead.

Within the past two weeks, the agency has received word that Colombian drug traffickers have placed a price as high as \$350,000 on the heads of top agency officials.

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After the Coal Strike

Decisive events are rare in Britain's economy. The normal reaction to challenges has been to shuffle and compromise, or else to fudge the issues. The resolution of the year-long coal strike has departed from this mold. The longer-term implications may be mixed. But it represents a major victory for Margaret Thatcher's Conservative government.

The dispute was about the right of the government, acting through the state coal board, to decide where to close money-losing pits. The Mineworkers' Union denied this right, despite the promise of reasonable treatment for the threatened miners. On the local level, miners refused to concede that the tightly knit mining communities should be broken up, however compassionately; at the central level, miners were led by a persuasive thinker with Marxist underpinnings who did not believe in a market economy and who therefore rejected what economists call the principle of comparative advantage.

The miners are going back, but without conceding the state's right to run the industry on market principles. They see themselves as having been ground down by the remorseless financial pressure of a year-long strike, yet living to fight another day. They threaten local actions to oppose specific pit closures as they are announced.

This reaction is hardly surprising. But whether, in the foreseeable future, the morale of the financially battered miners or the state of the world energy market will be conducive to such rearguard protest actions is highly uncertain.

We believe the first winner of this battle is the British economy. Whether the pound will recover durably now that the strike is

over cannot be predicted, with currency markets in their present confusion—but it would if this were a rational world.

We are less certain about the political fallout. If another election were approaching, Mrs. Thatcher would benefit enormously, but she has benefited from the "Falklands factor" in the last election. But the next vote is probably far off, and much can happen.

More disturbing may be the effect of the miners' strike on the general configuration of British politics. There has been a basic refusal of the center-left—the increasingly conservative majority of the labor unions—to support their more extreme colleagues. As a result, the left may become increasingly splintered. The far left, led by Anthony Benn, may turn viciously on the moderates who refused to provide any meaningful support for the strike. And this may lead to yet another step toward the disintegration of the already weakened Labor Party.

British democracy will not prosper if the traditional two-party system breaks down. The danger now is that while the left is splitting, the right might do the same, because the need for party discipline will seem less. It is very doubtful whether, in a time of difficulty, Britain would prosper from such an unknown political configuration.

But surely it would have been worse if the Thatcher government had been obliged to concede the principle that people have the right to decide where they want to work and to demand that the rest of the population subsidize them if they choose an unprofitable occupation—which is what the British miners were demanding.

INTERNATIONAL HERALD TRIBUNE

Why Tout South Africa?

There may be a hidden purpose in the zigzag maneuvers of South Africa's president, Pieter W. Botha. He may be embarked on an effort to camouflage what is most outrageous in the apartheid system—the denial of all political rights to 21 million blacks. Or just possibly, he hopes that some modest reforms may acquire a momentum of their own and begin to enfranchise blacks. But if that is his vision, as some of his countrymen hope and others complain, he conceals it well—even from his well-wishers in the Reagan administration.

The best that can be said for now is that Mr. Botha is all over the lot. He promises blacks some form of "participation" and he talks vaguely about changing their legal status as "citizens" of the bogus tribal homelands. He has suspended some of the forced evictions of blacks from areas designated for whites. But he not only refuses to bargain directly with any opponents of apartheid, such as the United Democratic Front, he also threatens to try them for treason.

Put the best possible face on all this and you have a case of a leader struggling to find ways to ameliorate the lot of the millions whom his government intends forever to treat as chattels. Call him locked into an evil condition, a man more humane than his policies. But why should the U.S. government be the foremost champion of his alleged reforms? Why should it resist the efforts to dissociate Americans from this hateful system and to ostracize its sponsors? Why insist on a "constructive" diplomatic engagement that then has to be justified by celebrating every alleged reform?

The only respectable explanation is that some wider American interests of security and diplomacy require it. There is a fair chance, it is said, that by preserving influence in Pretoria

the United States can help to end bush wars in Mozambique and Angola, thereby riding southern Africa of Soviet-bloc influence. South Africa has already struck a deal with Marxist Mozambique, and a truce of sorts prevails in Angola. Perhaps all this foreshadows a larger bargain in which South Africa gives up its illegal occupation of Namibia and gives the leftist regime of Angola cause for dismissing the 25,000 Cuban troops that have protected it against tribal antagonists.

This hard-boiled calculation, however, has a soft center. Pretoria is not being nice to its black neighbors as a favor to President Reagan. It wants to end its isolation in Africa and make it worthwhile for even Marxist neighbors to withhold aid from South African guerrillas in need of sanctuaries. This defensive diplomacy is openly acknowledged by President Botha. Insofar as Americans function as a useful intermediary, they are helping South Africa, not benefiting from it.

Thus the puzzle remains. In the name of realism, the Reagan administration argues that pressure on South Africa is unlikely to hasten constructive change. In the name of fairness, it points to some recent progress, such as desegregation in factories and the rise of black trade unions. But the touting does not stop at that. When Mr. Botha offers a political crumb to nonwhites, the State Department rushes to discover "a new dynamic for change."

That is not the language of analysis but of advertising, and on behalf of a regime that has ample resources to conduct its own public relations. The American apologists are neither effective in South Africa nor prudent in the rest of the world. If Mr. Botha intends to dismantle apartheid, let him prove it.

—THE NEW YORK TIMES

Other Opinion

The Pressure on Managua

The Reagan administration, increasing its threats to Nicaragua, has scored an important victory. Managua's announcement that a first group of 100 Cuban military advisers will leave the country in May and that purchases of new military equipment are indefinitely suspended gives partial satisfaction to U.S. demands.

But the Sandinistas have taken a big step backward. Had they announced the staged departure of all the Cuban advisers in Nicaragua, Managua could have made a similar call for the withdrawal of all foreign military advisers from the Central American region. In El Salvador, U.S. advisers are helping the government in their war against the guerrillas, and in Honduras, the United States has set up a major military infrastructure that makes that nation a possible future base of operations.

The Sandinistas view their concessions as major ones. But these moves might also encourage the Reagan administration to pursue and intensify the strategic tension that places the Sandinistas on the defensive.

—Le Monde (Paris).

The New Zealand Principle

Norway and Denmark have long refused nuclear weapons. Belgium and Holland have been dithering as to whether to accept cruise missiles. Greece threatens to remove four U.S. bases. A Labor-ruled Britain would probably do the same. Yet all these governments expect the United States to defend them, and to pay a higher cost for doing so. They cannot therefore be surprised if the United States pressures them to share the burden more equitably.

—The Sunday Times (London).

FROM OUR MARCH 5 PAGES, 75 AND 50 YEARS AGO

1910: Will Taft Stand on Irish Soil?

NEW YORK—It seems that a serious discussion has arisen as to the propriety of President W. H. Taft accepting the invitation of the Irish Fellowship Club of Chicago to "stand on Irish soil" when he delivers his address on St. Patrick's Day. The club intended it to be a surprise, but it leaked out after the departure of the steamer St. Louis with "Irish soil" and shamrocks. Legal wisecracks declare that it would be a breach of the Constitution for the President to step on foreign soil, which the transplanted grass plot would be. This objection need not be taken seriously. But there are likely to be some nice squabbles among the Irish, many of whom are offended at the idea of an attempt to place Ireland, even if only a small portion of it, in a foreign country.

1935: Britain to Raise Arms Spending

LONDON—The British government served notice [on March 4] of its plans for increased expenditures on armaments, in view of the state of international politics and the increased armaments of other powers, particularly Germany. The warning was contained in a "white paper" addressed to the Parliament and signed by Prime Minister Ramsay MacDonald. The "white paper" said, in part: "Public opinion in this country has tended to assume that nothing is required for the maintenance of peace excepting the existing international political machinery, and that other methods of defense—navies, armies, air forces—are no longer required. The force of world events, however, has shown... that we have far to go before we can find complete security."

Writing the Ugliness Out of the Budget

By Archibald L. Gillies

NEW YORK—Budgets, whether family, business or national, reveal more truth than any finely spoken words. The raw numbers in the 1986 Reagan budget clearly belie the president's rhetoric.

Mr. Reagan says Americans are "on the verge of greatness." But the facts show us an ugly America—a nation driven by uncharacteristic paranoia, questing for elusive military superiority, mindless of the dangers of huge deficits, disregarding human needs at home and abroad.

On the one hand, the administration calls for major cuts in domestic programs that will adversely affect nearly every American, particularly women, children, students, the elderly, farmers and city dwellers. On the other, it asks for broad increases in weaponry, which will destabilize what is left of deterrence, abrogate existing arms control treaties and threaten America's allies as much as its supposed enemies. All this is to be paid for, if not by domestic cuts, then by new levels of deficit spending that will add to the largest accumulation of debt any president has ever bequeathed future generations.

Some members of the administration consider the military portion of the budget sacrosanct. They should remember Dwight D. Eisenhower's words: "The problem in defense is how far you can go without destroying from within that which you are trying to defend from without."

Most America put at risk the essential goodness of its character? Must it become a militarized society? No. The nation's obsession with military strength wounds the economy. A wiser approach could start with eliminating waste in Pentagon procurement, which would save millions, even billions. But it should not stop there. Much more could safely be saved by a more common-sense approach to the most basic issues of national security.

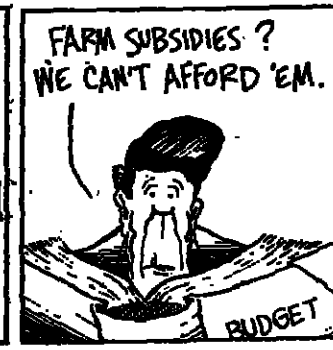
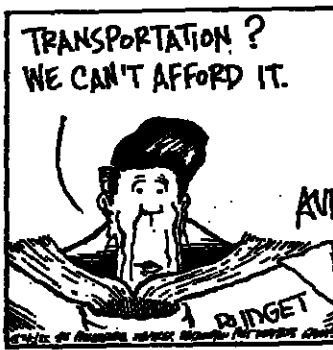
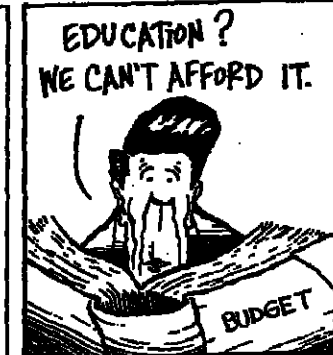
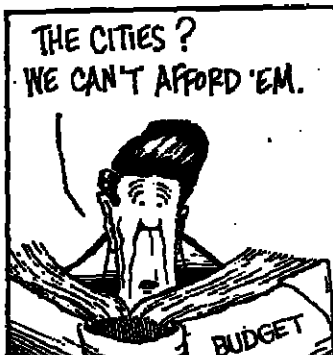
Since the planet's life-support system could be destroyed by as few as 250 nuclear warheads, why deploy 10,000 now and build 4,000 more by 1988? If the goal is to deter nuclear

war, why spend nearly \$20 billion this budget year to deploy destabilizing first-strike weapons like the Trident D-5, MX and Pershing-2 missiles, which will only increase the likelihood of war? If America's real aim is to try to influence Soviet behavior, it should offer promises of military restraint, expanded trade and more scientific exchanges.

If Western Europe is the world's largest economic entity, with a combined gross national product exceeding America's, why must the United States spend more than \$130 billion annually for European defense, surely a disproportionate percentage of the Atlantic alliance's total defense spending? Why, in any case, after 40 years of peace and nearly two decades of East-West détente, is it necessary for the United States to deploy more than 300,000 troops and 6,000 tactical nuclear weapons in Europe? If Washington's goal is to prevent war, it should initiate troop reductions and remove nuclear weapons from Central Europe. If the real U.S. concern is to preserve the alliance, Washington should deal with the major irritants in American-European relations: high U.S. interest rates, for example, and creeping protectionism on both sides.

If Third World countries—conservative or radical—want normal political and trade relations with the United States and pose no military threat, why spend \$59 billion annually on forces that would intervene in those countries? If the U.S. goal is to minimize Soviet influence, why push countries like Nicaragua into Moscow's arms? If Americans truly wish to promote democracy and stability, they should end military support of dictators and promote international programs of economic assistance, including major debt relief, that would reduce social inequities, strengthen the political fabric of these countries and increase their capacity to buy American goods.

This approach—reductions in the U.S. nuclear arsenal, fewer overseas military commitments and a policy of nonintervention—suggests a major



reorientation in foreign policy. Such an approach could save \$470 billion over the next five years and upward of \$1 trillion during the succeeding five. One and one-half trillion dollars, spent wisely over the next decade, would let America move against many problems that now seem insoluble. This could help reduce the deficit, modernize basic industries, help finance high-tech development and retrain displaced workers. America could begin to rebuild its roads and bridges, its housing stock and, above all, its citizens' dignity. We could avoid an ugly America and make possible once again a growing, competitive and caring society.

Do you remember Frank Capra's 1941 film "Meet John Doe"? Gary Cooper, playing a nameless representative of an America that is unemployed and numbed by the Depression, and miffed by the razzmatazz of Washington, promises to jump off the top of City Hall to make his country see the misery of the "little guy." It must not take that kind of desperation to force us into action against the Reagan program.

The writer is president of the World Policy Institute, which is sponsoring a five-year study to develop new approaches to U.S. foreign and military policy. He contributed this comment to The New York Times.

Deficits: Using Longevity to Beat the Bloody Things

By William F. Buckley Jr.

NEW YORK—The story went around during the glum diplomatic dog days in the late 1970s. The 13-year-old son of his father, a retired senior diplomat: "Daddy, what was your role in the world war?" Lord Cecil looked up from his newspaper: "I tried to prevent the bloody thing."

If some day we run into Apocalypse Now because of the national debt, conscientious objectors will wish to point to what they did to try to prevent the bloody thing.

Critics of big spending (and friends of high taxation) have been heard from ad infinitum on the subject, this writer included. But as the story unfolds—the story of trying to lower federal spending by trimming the grants to the Minneapolis Ballet—one heads wise men's counsel.

Four years ago, Irving Kristol, the distinguished grandfather of the neo-conservative movement, observed that shrink-type budget cuts tend to generate opposition out of proportion to their yield. You can't—the analysis goes—make it to the wire and succeed, say, in trimming food-stamp spending, but by the time you have completed that race you will arrive out of breath, and the enemy, once weak and disorganized, will be highly consolidated.

A different approach, dealing in large categories, should be explored. And the key to it is the study of longevity.

For every decade, beginning in 1940, Americans' life expectancy increased by about one

year. This was so until 1970, when life expectancy began to increase more quickly. The increase between 1970 and 1980 was on the order of 1.2 years. And from 1980 to 1985, by extrapolation, the figure would be about half a year. Adding these figures together, one sees that since the inception of Social Security, the human life cycle has advanced by about four years.

Suppose that the implications of that longevity schedule were uniformly applied, where relevant, to federal disbursements? Suppose, even, that it were done gradually, say a year at a time. This would mean that Social Security retirement would begin this year not at 65 but at 66, and, correspondingly, early retirement would begin not at 62, but at 63.

In federal service, where retirement is now permitted after 20 years (at age 60), that figure would rise next year to 21, and on up to 25. The ad hoc and complicated formulas (2 percent of pay per year of service and all the variations), could easily be adjusted.

In the army, retirement is permitted after 20 years' service, and this also should increase. Time magazine last month cited an example of the scale in which we deal: "In 1983, 90 percent of military retirees were younger than 50, and some 200,000 of them were 'double-dippers,' who had taken new government jobs. Currently, a lieutenant colonel in his mid-40s who retires with 20 years' service receives \$20,480 a year. Critics of the system cite the 1984 Grace Commission report, which said the military pension plan was six times as good as the best private-sector plan."

The attraction of the categorical reform lies in the difficulty one has in arguing against it. The argument ad absurdum tends to reveal this. Suppose that, 50 years from now, the scientists make the average lifetime 100 years. Obviously we would not think in terms of generating an economy that would permit us to retire at the equivalent of young middle age, measured back when the average life expectancy was in the 60s.

The pursuit of such a reform has the added advantage that those who oppose it would be a relatively small number, and in a democracy it is realistic to think in terms not only of what is "right," but of what is doable. The first year's opposition in the Social Security field would, of course, come from 64-year-olds planning to retire at 65 who now need to work another year, and from 61-year-olds who planned to take early retirement the following year but now must work another year.

And, of course, those just a little younger might oppose it. But soon you are talking to folk in their mid-50s, for whom the question of whether they retire at 65 or 70 is a moderately remote concern.

And the dividend? The deficit goes away.

Universal Press Syndicate.

Two Voices From Out of the Democrats' Wilderness

By David S. Broder

WASHINGTON—To the widespread belief that the Democrats have lost both their voice and their sense of direction, there are now at least two important rebuttals.

Governor Mario M. Cuomo of New York, the keynote speaker at last summer's Democratic National Convention, and Senator Gary Hart of Colorado, the leading challenger at the convention, have given speeches that clearly suggest that two potential leaders of the Democratic comeback effort have not lost their compasses or their rhetorical command.

Even though they avoided many of the troublesome specifics, there were differences in emphasis in the speeches Mr. Hart delivered at Boston's Faneuil Hall last month and Mr. Cuomo gave a few days later at Yale. But it is significant that these two men, stereotyped as the spokesmen for the "revisionist" and "traditionalist" wings of the party, found common ground with each other—and for a challenge to President Reagan.

Obviously there can be no cheap consensus within the Democratic Party based on the perceived convergence of two leading figures. The more conservative views of Senator Sam Nunn of Georgia or Governor Mark White of Texas, the urban and minority perspectives of Philadelphia's Mayor Wilson Goode or Representative William Gray, have to be blended into the mix before anyone can claim that the Democrats have their act together.

But the Cuomo and Hart speeches do rebut the notion that the Democrats as a species are still reeling in shock from last November's presidential landslide and do not know which way to turn.

There are four principles on which Mr. Hart and Mr. Cuomo clearly see eye-to-eye. The first is the belief that President Reagan's policies endanger the long-term economic health and social stability of the American society. If events in the next four years prove this view incorrect, then the Democrats' prospects of a 1988 comeback will indeed look bleak.

But if the economy sours as a result of soaring deficits and the nation polarizes between haves and have-

nots, these two Democrats, at least, will be in a position to say that even when Mr. Reagan was riding high, they told Americans what lay ahead.

Their rejection of Reaganism extends beyond words to deeds. Mr. Cuomo last week challenged the president to his face, in a White House colloquy on the budget. Mr. Hart, who has consistently voted against Reaganism, also voted against entrusting the leadership of the Justice Department to Edwin Meese 3d, who echoes Mr. Reagan's views on social policy and constitutional issues. On all these fronts, the lines are drawn.

The second point on which Mr. Hart and Mr. Cuomo agree is that the values for which the Democratic Party has fought for the past 50 years remain valid. "Despite the events of last November, I haven't changed the underlying tenets of my political philosophy," Mr. Cuomo said. "Why should I seek new principles?"

You say this is not surprising from the governor who sits in Albany, where Franklin Roosevelt once sat?

Perhaps not, but Mr. Hart voiced the same view. Though saying that we are "in an era of profound transition," he reaffirmed "one of the purest old ideas," the belief that "society as a whole, through our government, has a moral responsibility... to achieve real justice... and assure the basic necessities of life."

The third point of agreement is that government must conceive itself as a partner in furthering, not frustrating, the powerful forces of economic change and growth. Predictably, Mr. Hart emphasized the need for policies that "encourage improved productivity" to meet competition in international markets. That is the ideology of a politician from a high-tech growth state.

But Mr. Cuomo, a "rust belt" governor, was equally clear in saying that "programs and policies change," and boasting that his administration's "new ideas" include "new centers for innovation that will spur the growth of high-tech in the state."

Both Mr. Hart and Mr. Cuomo

recognize that the test of credibility for the Democratic Party is the willingness of its leaders to put the national interest above any constituency interest. Mr. Hart gave evidence of his seriousness by introducing legislation for "a new system of national service," both military and civilian, that would ask young Americans (among whom he had his greatest support in 1984) "to return some of the advantages and investments they have received from our society."

Mr. Cuomo demonstrated his grasp of the same point in a more dramatic way. He told his labor union backers—without whom he would not have been elected in 1982, he acknowledges—that he would not support their candidate for the chairmanship of the Democratic National Committee, or even the disputed right of the at-large labor members of that committee to vote in the contest in January.

Two speeches—and two men—do not a consensus make. But they are a start and, for Democrats, a welcome sign that all may not be lost.

The Washington Post.

LETTERS TO THE EDITOR

On Nicaragua's Election

The editorial "A Middle Way in Nicaragua" (Feb. 14) accepts the premises of President Reagan's critique of Nicaragua, including his statement that the Sandinistas have "chased" democrats into exile and refused to subject their power to the consent of the Nicaraguan people. This is repeated so often in Washington that it is no longer questioned.

No one has been forcibly exiled from Nicaragua. Arturo José Cruz, who decided not to participate in the Nov. 4 elections, has traveled frequently to Nicaragua and sought to organize support. Virgilio Godoy Reyes, another democratic politician who chose not to participate in elections, continues to live in Nicaragua, and his party is participating in the political process.

With respect to the elections themselves, I was a member of an observer

delegation sponsored by the International Human Rights Law Group and the Washington Office on Latin America, which found several flaws surrounding the electoral process. Yet, with all its flaws, the elections provided the Nicaraguan people an opportunity to express their disapproval of the Sandinistas, and over 35 percent of those who voted did so.

Virtually all the independent observers who prepared comprehensive reports on the Nicaraguan elections concluded that the elections represented a positive political development and compared favorably with the 1984 elections in El Salvador.

LARRY GARBER, Washington.

Pentagon Prices

When I learn the Pentagon pays \$400 for a hammer and \$30 million for an F-16 fighter, I remember visit-

ing a U.S. Air Force base in Britain in 1943. They were using what everybody considered the most enormous, sophisticated and expensive plane in the world—the B-17 Flying Fortress. A young captain told me in awe: "You know what one of these planes costs? Two hundred and fifty thousand dollars—a quarter of a million dollars!" Times change, but I wonder if the F-16's price is any more justified than that of the hammer.

GORDON GASKILL, Rome.

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The Case For Force in Nicaragua

By Joshua Muravchik

NEW YORK—By shoddy pretense that U.S. aid to Nicaraguan rebels could aim at goal other than the overthrow of Sandinist government, President Reagan has significantly stunted the case for aid. He has helped a vicious regime to master. Should the United States encourage the overthrow of Communist governments where it can? To both the history of U.S. relations with the Soviet Union and the present circumstances in Central America, the answer is a resounding yes.

Both sides of the debate have clarified in recent weeks. The majority leader, Jim Wright, to me with the president: "I don't see any call to appoint our Secretary of State to appoint our Secretary of State and in force any government with a 'Brezhnev doctrine.'"

It is, as Mr. Shultz aptly put it, the Secretary of State's duty to accept the Kremlin's notion "what's mine is mine. What's up for grabs."

The implications of this do have grown more ominous since America's policy of "containment" expired on the battlefield of Nam. In adopting the containment policy, the United States did avoid challenging the integrity of Soviet empire—which then is

The overthrow of even one communist nation by indigenous forces could incalculably ho communism's mystique

tirely under the shadow of the Red Army—but to its expansion. As George F. K. who first formulated the policy, America would "confront" nations with unfavorable communist at every point where they show of encroaching upon the international peace and stable world."

The hope, said Mr. Kennan, "increased enormously the stature which Soviet policy must state" and thereby "promote" policies which must eventually find outlet in either the breakup gradual mellowing of Soviet power or the Soviet Union's "mellow" the Soviet domestic system. Some significant domestic system occurred after Stalin's death the Soviet Union's relentless expansion its empire and to a seizure of power by Comrade wherever possible has outlived policy of containment.

As a result, in the mid-1970s United States turned away from containment and toward détente, as Henry Kissinger put it, create a vested interest in the status quo. But even had it not been for the problem that containment to solve: Soviet officials stated that détente did not do them to cease supporting Communist to secure peace. They did not always hold it. Jimmy Carter tried his own version, more conciliatory to Kissinger version, but its futility its uselessness in inhibiting Soviet expansion—became apparent. Mr. Carter himself with the invasion of Afghanistan.

Since then, American policy has grown more assertive and the U.S. is being retested. But no prospect of a return to containment. It is impossible for America to parry Russians at every point where they choose.

Have we Americans, then, a native but to resist, against gradual and inexorable increase in the number of Communist countries—an increase that could shift the balance of power against the United States? If we accept asymmetrical rules, low countries to go from being Communist to Communist, in the other direction?

There is an alternative. I work of Communist government, the Soviet camp now extends beyond the shadow of the Red into Africa and Central Asia. This network can be attacked fringes, if there are indigenous willing to do so, without the provoking a military confrontation between the United States and Soviet Union. This offers it for a strategy that, in the absence of containment, might still prevent relentless accretion of Soviet power. The successful overthrow of communism by indigenous forces even one country might do incalculable damage to communism's mystique.

This argues strongly that the Nicaraguan rebels as much as they need is very much interest of the United States. I am not the only reason to contrast. The well-being of the Nicaraguan people is also at issue.

The Sandinistas have not yet taken a totalitarian turn, but there is little doubt that their goal. The repressive mission of food rationing, the creation of a vast network of internal security and coercion, the militarization of society, the vicious use of organized mobs to assassinate opponents—all are chilling signs of the future that the Sandinistas have in store for the people of Nicaragua. A fighting chance to themselves that future is at much in their interests as the Sandinistas is in America's.

The writer is the author of coming book about U.S. human policy. He contributed this comment to The New York Times.

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The China Group For Foreign Visits Russia; Nicaragua Trip Is First Since the '60s

By Joshua M...

NEW YORK — The Chinese government's goal of other than the one-sided Sandinista government in Nicaragua has been a long one. It was the first of its kind since the Chinese-Soviet split in the 1960s. The nine-member group headed by Zhang Chengxian, a member of the Standing Committee of the Chinese National People's Congress, arrived Sunday at the invitation of the Soviet Union, a move strongly in contrast to the Soviet Union's policy of non-interference in the internal affairs of other countries. Both sides of the split have been in a state of tension since the Soviet invasion of Czechoslovakia in 1968. The visit is another sign of a thaw in relations between the two superpowers, although China has said major obstacles still stand in the way of improved political ties.

The visit is another sign of a thaw in relations between the two superpowers, although China has said major obstacles still stand in the way of improved political ties. President Konstantin U. Chervomyshev, in a speech read to him by a spokesman, welcomed the Chinese delegation, saying it was a "positive step" in the process of normalizing relations between the two countries. The visit comes after a Soviet deputy prime minister, Ivan V. Arkhipov, visited Beijing in December. He was the highest-ranking Soviet official to go to China since 1969.

Political consultations were resumed between the two capitals in 1982, and so far five sessions have been held in Moscow and Beijing. The Soviet press agency Tass reported that Mr. Zhang said on his arrival in Moscow that this was the first meeting of Chinese and Soviet parliament members after the long years that have passed since the cessation of contacts between the two countries.

"We are convinced that our visit will play a positive role in the process of mutual understanding between us," he said. During his visit to Beijing in December, Mr. Arkhipov signed agreements with the Chinese on economic, technical and scientific cooperation. The Soviet press has recently carried articles critical of China's economic reforms, which an article in it, America would describe as "new strains with unrealistic social tensions."

A long-term trade pact between the two is expected to increase peaceful relations between the countries. The hopes, said Mr. Zhang, are that the visit will lead to a "new era of friendship" between the two countries. Beijing has insisted on three conditions for an improvement in relations: reduction of Soviet military forces along the Chinese border, withdrawal of Soviet support for the Vietnamese in Cambodia, and a Soviet withdrawal from the Soviet Union's occupation of Afghanistan.

Some then American growth more positive relations are being established. It is impossible to deny that the Soviet Union is a major power in the world. The United States must recognize this fact and work to improve relations with the Soviet Union. The United States must recognize this fact and work to improve relations with the Soviet Union.

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French Right May Profit From Leftist Plan

By John Vinocur
New York Times Service

PARIS — More than most people could have imagined a year ago, Jean-Marie Le Pen and his far-right party, the National Front, are influencing the course of French politics. When about 18 million voters cast ballots March 10 and 17 in two-stage regional elections, the last national political test before legislative elections in 1986, one of the central elements in analyzing the results will be the National Front's performance. And when President François Mitterrand announces an electoral bill sometime this year — April is mentioned as a likely time — one of the main concerns will be whether his proposal makes it probable that Mr. Le Pen's group will enter parliament.

"It's me or suicide for the Socialists," Mr. Le Pen has said. In other words, if Mr. Mitterrand's proposal does not contain a measure of proportional representation, the Socialists, in Mr. Le Pen's view, will suffer a catastrophic defeat in 1986. Following Mr. Le Pen's reasoning, and that of many other commentators who share none of his political opinions, Mr. Mitterrand's most likely choice would be to avoid "suicide" by replacing the present majority voting system.

Current projections give the National Front about 10 percent of the vote, and a proportional system would thus enable it to enter parliament. The Socialists have called the party racist, dangerous and despicable. Polls show that the National Front has capitalized on concern about the number of African and Arab immigrants in France, crime and unemployment.

Alain Touraine, a sociologist and political expert, said that if the left allows itself to be seduced by the temptation to paralyze the alliance between the followers of Valéry Giscard d'Estaing and the neo-Gaullists by letting the National Front develop, it will render its own fall both more probable and brutal.

Mr. Giscard d'Estaing was president until 1981, when the Socialists were voted into office. Mr. Touraine also said, however, that if the conservative and moderate parties do not contest Mr. Le Pen, then the dangers are great as well.

The general performance of the Socialist Party in the regional elections, the extent to which Communist voters switch to Socialist candidates in the second round and whether the National Front cooperates with conservative and moderate opposition parties are factors that Mr. Mitterrand is expected to take into consideration in shaping his electoral bill.

Since June, when the National Front won seats in the European Parliament with 11 percent of the French vote, the share of those expressing fears about Mr. Le Pen in surveys has declined from 26 to 14 percent. According to a survey published last week, 47 percent of those polled said they expected the National Front's popularity to increase in the coming months, with only 14 percent predicting a decline. But 55 percent said they hoped the party's popularity would diminish.

For the Socialist Party, the seeming growth in influence of the National Front has provided a clear target. The Socialists contend they have profited from pointing out that the traditional conservative and moderate parties have been less than forthcoming in attacking Mr. Le Pen, since they do not want to antagonize his voters before the regional elections are complete. The Socialists even talk now of a "slight favorable tremor" in the popularity polls for them.

But the Socialists have a more difficult time in explaining how they could sponsor an electoral law that might bring Mr. Le Pen into parliament. They argue that they have always favored proportional representation and that the majority voting system, such as the one in force in the regional elections, requires traditional conservatives to make compromises with the extreme right if they want its support in the second round.

Distributing seats on the basis of percentages of the popular vote would eliminate such deals, the Socialists say. In response, Jacques Chirac, the mayor of Paris and leader of the Rally for the Republic, a neo-Gaullist party, has accused the Socialists of making "gigantic efforts to favor the extreme right."

He insists that there will be no alliances between his party and the National Front in the regional elections and that Mr. Mitterrand can hardly attack his party's relationship with the National Front rather than "adversaries," and another insisted that the "principal adversaries are the Socialists and Communists." This attitude is now coming under sharp criticism.

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Jean-Marie Le Pen and his daughter, Marie-Caroline, who is a candidate of her father's National Front party for Neuilly, a Paris suburb, in French regional elections this month.

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Beijing Appears to Back Off Threat Against Hanoi

By Jim Mann
Los Angeles Times Service

BEIJING — Five weeks ago, the Chinese foreign minister, Wu Xueqian, warned publicly that China might have to teach Vietnam "a second lesson" if Vietnam did not rein in its troops in Cambodia. It was a blunt threat that China might be preparing to go to war.

When Deng Xiaoping, the paramount Chinese leader, said in 1979 that China wanted to "teach Vietnam a lesson," China mounted a large-scale invasion of Vietnam. Since the "second lesson" warning, Vietnamese troops have routed Cambodian forces from their encampments and moved to seal the Cambodian border with Thailand. Yet China has taken no military action that would qualify as a lesson.

Diplomats in Beijing say that during the last month, perhaps after some internal debate, the Chinese have decided not to launch a military offensive against Vietnam. They say it appears that the Chinese have decided to avoid war and to pursue their long-range economic modernization program, even at the cost of losing some face and allowing Vietnam to be perceived as the paramount, even unchallengeable, military power in Southeast Asia.

"Everything now is riveted to economic development, and any military action would divert resources away from that," a senior Asian diplomat said. A Western diplomat said he has concluded that Mr. Deng and his senior aides — Mr. Yang, the general secretary of the Communist Party, and Prime Minister Zhao Ziyang — do not want to take military action because to do so would strengthen the political position of opponents of the Beijing regime, particularly within the People's Liberation Army.

China's military inaction has upset several of Beijing's friends and neighbors in Asia. Officials in Thailand are reported to have complained privately that China has failed to relieve Vietnamese military pressure along the Thai border. Prince Norodom Sihanouk, the Cambodian resistance leader who lived for years in Beijing and was a close associate of the Chinese leadership, appealed to China this month to carry out its threat to teach Vietnam a second lesson.

Diplomats here say that for the last month they have been searching for explanations for China's public warning to Vietnam and its subsequent failure to act. "Confirmed Chinese silence is mystifying, to say the least," an envoy said. "It is becoming increasingly embarrassing for them. Their prestige as a regional power is at stake."

In its public statements over the past few weeks, China has suggested that no military action is required on its part because the Vietnamese offensive in Cambodia has not been successful in eradicating the resistance groups. Defenders of China's position, including U.S. officials, have argued that the criticism of China is unfair because China has in fact stepped up the military pressure along the Chinese-Vietnamese border.

"It's not true to say they have done nothing," a U.S. official said recently, and he pointed out that in mid-February China sharply increased its shelling and artillery fire along the border. "They let the Vietnamese know that they're there and that they'll be there five years from now."

Another diplomat said Chinese troops have made brief forays across the border into Vietnam, and added that "they're doing enough to make sure it costs the Vietnamese."

According to the Vietnam News Agency, in the period from Jan. 16 to Feb. 26, Chinese attacks killed at least 24 people and wounded 44 others. It said China had fired approximately 39,000 rounds of artillery into Vietnam and intruded into Vietnamese territory on 16 occasions.

Nevertheless, China has taken no military action comparable to its 1979 invasion of Vietnam. Diplomats in Beijing say a number of factors underlie China's reluctance to act, one of them military. In 1979, when they went into Vietnam, the Chinese ran into strong resistance and suffered significant losses. The war ended when the Chinese withdrew after a month, saying they had inflicted "devastating blows" on the Vietnamese Army.

"Perhaps China learned bitterly in 1979 that it was not prepared to deliver a quick humiliation to the Vietnamese," a diplomat here said. "They suffered a bloody nose last time."

Another factor, which analysts consider most significant, is the harmful impact that a war would have on China's economic modernization program. Even a quick and limited war would drain off funds earmarked for use in building up infrastructure, upgrading factories, overhauling the pricing system and converting gradually to a market economy.

Marcos Removes Minister Who Criticized Policies

The Associated Press

MANILA — President Ferdinand E. Marcos dismissed Foreign Minister Arturo Tolentino on Monday, accusing him of taking stands that were "incompatible with those of the party and the government."

The president's announcement also said that Mr. Marcos had asked another member of his cabinet, Labor Minister Blas Ople, to explain statements he had made in recent speeches about the country's political system being "heavily dependent on patronage."

It quoted Mr. Marcos as telling Mr. Tolentino in a letter that he had "no other choice" but to dismiss him. The foreign minister is the only government official who has publicly opposed some of Mr. Marcos's policies.

The announcement did not say who would succeed Mr. Tolentino, 74. He was appointed foreign minister in June to replace Carlos P. Romulo, who retired in January last year.

The presidential palace said the dismissal was caused by disagreement between Mr. Marcos and Mr. Tolentino over Foreign Ministry appointments, which it described as "the latest of such 'incompatible positions' taken by the foreign minister. Mr. Tolentino had also criticized several of Mr. Marcos's decrees as well as the president's power to legislate by decree."

Witness Testifies
Ramon Balang, 30, an airline engineer, testified in court Monday that the opposition leader Benigno S. Aquino Jr. was not killed the way the Philippine military said he was. The New York Times reported from Manila.

Five other workers assigned at Manila airport on the day of the assassination in August 1983 of the political rival of President Marcos have gone into hiding and refused to answer summons to testify.

Among the witnesses who did not show up were the mother, sister and son of Rolando Galman, whom soldiers shot and killed at the airport, asserting that he was Mr. Aquino's assassin.

Mr. Balang said that soldiers disembarked from two vehicles and immediately cordoned off the plane Mr. Aquino was on as soon as it docked at Gate Eight of Manila airport.



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TUESDAY, MARCH 5, 1985

FUTURES AND OPTIONS

'Audit Trails' Will Wind Through Annual Meeting

By H.J. MAIDENBERG
New York Times Service

NEW YORK — When the leaders of the futures industry gather Tuesday at the Boca Raton Country Club in Florida for their 10th annual conference, there will be many new faces and accents seen and heard among the roughly 1,200 participants.

Many of the newcomers at the Futures Industry Association conference will be bankers and other members of financial institutions who until a few years ago would never have associated publicly with anyone involved in futures trading. Such dealers were then considered to be gambling.

But Richard L. Sanders, senior vice president of Drexel Burnham Lambert Inc., observed last week: "Given the uncertainty of the financial markets these past few years, the only gamblers are those with fiduciary responsibilities who don't use the futures and options markets. That many do use them explains why the volume of Treasury bond futures alone was \$31 billion in 1984, compared with \$30 billion for all futures traded in 1975."

As for the foreign accents at the meeting, they will reflect the growing international scope of the futures business. "While the commodities futures business has always been a global affair, it is only in the last year or so that the financial and stock index markets have leaped frontiers," said John M. Damgard, president of FIA, a Washington-based trade group.

Among the international linkages effected or initiated in the past year are those between the Chicago Board of Trade and the London International Financial Futures Exchange; the Chicago Mercantile and Singapore Monetary Exchange; New York's Commodity Exchange and the Sydney Futures Exchange, and the Philadelphia Stock Exchange and the Hong Kong Futures Exchange.

Basically, there are two kinds of linkages. The Chicago Mercantile Exchange, for example, permits a gold futures contract bought on the Chicago exchange to be sold in Singapore or vice versa. In the case of the Chicago Board-LIFFE arrangement, the London exchange received permission to trade the Chicago Board's highly successful Treasury bond contract.

"But these linkages are not without potential legal and regulatory problems," Mr. Damgard noted. "Many of our members are unfamiliar with foreign legal systems and market regulation, two topics that will definitely be discussed at Boca Raton."

The most sensitive topic, however, will be the problem of "audit trails," a trade euphemism for tracking the timing of trades. It is a sensitive subject because traders on the futures exchange floors traditionally execute orders for both their own accounts and those of outside hedgers and speculators.

"It's a very tough issue, but maybe the Chicago Board Options Exchange has the answer," Mr. Damgard said, noting that floor members there can trade for their own and outside accounts, but not at the same time.

Don L. Horowitz, of the law firm of Kaye, Scholer, Fierman, Hays & Handler, said: "The futures industry should seize upon the current investigation of the audit trails process by the Commodity Futures Trading Commission as an opportunity to settle the matter once and for all."

He continued: "While the CFTC may be on the right track, their solutions may not be the answer to the problem. For example, most of us in the industry cannot see, given the volatility in many of the futures markets, how exchanges can impose a one-minute time stamping of orders. It won't work, nor will the present 30-minute system continue to satisfy everyone."

Federal regulations require that all orders be time stamped within 30 minutes of execution. Some regulators would prefer this period be reduced to one minute.

Dollar Rises in Europe

Central Banks Remain Inactive

The Associated Press

LONDON — The U.S. dollar rose against most other major currencies in European trading Monday as central banks refrained from major dollar sales.

Currency dealers said there was no repeat of last week's concerted intervention by European central banks, during which the banks sold more than \$2 billion in a bid to drive the dollar lower.

The effort worked for one session, with the U.S. currency suffering one of its worst one-day declines in years. But the dollar then rebounded late last week.

While there was no evidence of a major intervention Monday, the possibility that the central banks would again launch big sales of dollars kept traders nervous.

"The big question hanging over the market is whether central banks will re-enter the market again in a big way," a Frankfurt dealer said.

In Tokyo the dollar finished the trading day at 260.05 yen, down from 260.50 yen late Friday.

In London, the pound fell to \$1.068 from \$1.0715 late Friday.

Other dollar rates in late European trading compared with late Friday were: 3.737 Deutsche marks, up from 3.7635; 2.889 Swiss francs, up from 2.8775; and 10.312 French francs, up from 10.265.

U.S. Refusal Seen

The United States has refused to join in major currency intervention to drive the dollar down, despite suggestions from the Federal Reserve that such action might be useful, Reuters reported Monday from Washington, quoting administration sources.

Paul A. Volcker, chairman of the Federal Reserve Board, last week questioned whether recent sales of dollars by central banks had been forceful enough. But this view is not shared by the administration, the monetary sources say.

Mr. Volcker's remarks provoked market speculation that the United States would join its allies in Europe and Japan in selling huge quantities of dollars to prop up weaker currencies.

But later, when central banks did launch a major assault on the dollar, monetary sources reported that dollar sales by the Fed were insignificant.

"I don't think you're going to see a change in behavior that's really substantial," one senior administration source said.

But the administration-Fed split is important because it tends to confuse the markets. Moreover, monetary sources say, several officials believe Mr. Volcker's comments may ultimately undermine efforts to bring the dollar down on the markets realize they do not foreshadow significant U.S. sales of dollars.

By Michael Schrage
Washington Post Service

LONDON — Armed with a talking horse, three beautiful women and a communications satellite, Rupert Murdoch is zapping the fear of competition into Europe's traditional television broadcasters.

The Australian press baron, best known for a newspaper empire that stretches across three continents, also is principal owner of Sky Channel, an English-language television network beaming American television programs like "Mr. Ed," a show about a talking horse, and "Charlie's Angels," featuring three female detectives, to cable systems across Europe.

Although only a fraction of Europe's estimated 100 million television households are now on cable, Sky Channel reaches nearly 3 million viewers and is growing. In the past four years, it has become a medium that has played serious advertiser interest while posing thorny challenges for countries that want to continue to strictly regulate the sort of programming their citizens can watch.

"There's no reason why a pan-European entertainment channel shouldn't work, and Murdoch has the lead service in an expanding market," said John Hovis, executive director of the International Institute of Communications in London.

If Mr. Murdoch can continue to increase Sky's audience and revenue while avoiding political complications, he could well become a profitable and influential broadcaster, much as he now is a profitable and influential publisher.

But despite initial enthusiasm from advertisers and viewers, there still is significant concern over the future of Sky and pan-European television. Some advertisers still view Sky as an experiment and the growth of cable television in Europe has been far slower than expected.

Sir James Carruthers, who sits on the board of Mr. Murdoch's News Corporation Ltd., conceded that "we were very hopeful that we'd have half a million homes in the U.K. by now — now we have only 100,000."

Mr. Cox said he expects Sky to reach more than seven million potential viewers by the end of this year if it gets permission to link with Belgium's cable systems. Assuming it meets projections, Sky is expected to break even this year on revenue of just under \$10 million.

"If in five years, we've got 15 million connections and good ratings, this could be a very, very good business for us," Sir James said.

Sky Channel was conceived about five years ago by Brian Haynes, a British television journalist who had filmed a documentary on Ted Turner, the American cable television entrepreneur.

Supercomputers Are Suddenly Hot

Even Hollywood Has Discovered Speedy Machines

By David E. Sanger
New York Times Service

NEW YORK — In just the last 18 months, all three of America's largest automakers have installed supercomputers in their design centers, seeking to test-drive their prototypes without ever building them.

Aerospace, chemical manufacturers and even movie companies seeking to create three-dimensional special effects for science fiction films also are buying the machines, which provide far greater computing power than any mainframe computer can deliver.

Suddenly, supercomputers are hot. This year, Cray Research Inc., Control Data Corp. and a handful of smaller makers of the world's fastest computers will install about 45 new machines — a remarkable number considering that fewer than 120 supercomputers exist in the world.

"It's clear the market is poised for explosive growth, because now it's not just the Defense Department and the universities that are grabbing them up," said Jeffrey Canin, an analyst at Hambrecht & Quist Inc.

The demand has sparked scores of new supercomputer projects, ranging from tiny Silicon Valley start-ups to a major effort by International Business Machines Corp. Among the most promising entrants: Convex Computer Corp., Scientific Computer Systems Inc. and Datacube Inc.

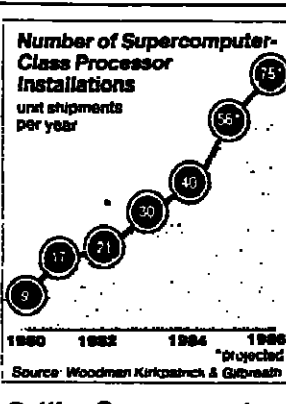
"There's no question it will be our best year ever, in terms of sales," Robert Gaertner, a Cray vice president, said in a recent telephone interview from the company's Minneapolis headquarters.

Wall Street appears to feel the same way. Cray's price on the New York Stock Exchange has soared to more than \$78 in recent months, from the mid-\$40 range last summer. It closed Friday at \$76.

But if boom times have finally caught up with what was once a tweedy, academic niche of the computer industry, there also has been a profound sense of unease.

When the National Science Foundation announced last week that it was spending \$300 million to build four National Advanced Computing Centers at universities around the country — a move that seems likely to benefit corporate researchers as much as academics — federal officials made it clear that U.S. supremacy in the world of supercomputers was threatened.

Defining what a supercomputer is like shooting at a moving target. They are simply the fastest machines at any point in time.



Putting Supercomputers to Work

Meteorology: Predicting the movement of storms and detecting broad changes in atmospheric conditions and temperatures.

Automobile and Aerodynamic Design: Modeling the flow of air over a wing or the stress points on an entire automobile, making it possible to test designs without building prototypes.

Oil and Geophysical Exploration: Using sonic and other data to predict the characteristics of underground reservoirs and geologic faults.

Intelligence Gathering: Sifting through millions of satellite and other transmissions — particularly data traffic — as part of routine electronic spying.

Code Breaking: Testing millions of combinations in sophisticated efforts to crack ciphers.

Nuclear Energy Research: Simulating the actions of atomic particles, both for weapons research and nuclear energy projects.

Graphics and Film Animation: Creating three-dimensional models used in special-effects work, particularly in science fiction movies, and in CAT scanning and other medical techniques.



A Cray X-MP supercomputer that performs 200 million to 800 million calculations per second.

Icahn Drops Hostile Attempt To Buy Phillips

The Associated Press

NEW YORK — Carl C. Icahn, a New York investor, agreed Monday to drop his hostile bid to acquire Phillips Petroleum Co., averting the oil company's second unwelcome takeover assault in less than three months.

The joint announcement of a settlement came after Phillips launched a sweetened, \$4.5-billion offer to buy back nearly half of its stock and also disclosed that its shareholders had rejected an earlier recapitalization plan to keep the company independent.

Mr. Icahn, who owns 4.85 percent of Phillips stock, agreed to withdraw his offer of \$60 a share for 70 million shares, or 45 percent of Phillips, which was part of an \$8.06-billion bid for the company.

On Friday, Phillips stock closed at \$49.375. It was up \$1.125 to \$50.50 a share in heavy trading at midday Monday on the New York Stock Exchange.

Mr. Icahn also said that he would not go through with an attempt to oust the Phillips board and agreed not to launch another bid for Phillips during the next eight years.

Drexel Burnham Lambert Inc., Mr. Icahn's financial adviser, agreed not to finance any takeover attempt against Phillips for the next three years, Phillips also said.

Both Phillips and Mr. Icahn agreed to dismiss lawsuits filed in the takeover attempt that began Feb. 4.

Under terms of the settlement, Phillips will pay up to \$25 million of Mr. Icahn's expenses.

Mr. Icahn said that his expenses were larger than \$25 million and refused to comment on his profit from the transaction. But Wall Street analysts estimated that he earned between \$50 million and \$60 million before taxes.

In December, Phillips negotiated the settlement of a takeover attempt led by T. Boone Pickens, the chairman of Mesa Petroleum Co.

that produced a pretax profit of at least \$89 million for that takeover group.

The rejected \$8-billion recapitalization plan had been designed to give employees control of Phillips and stabilize the stock at \$53 per share. If it had been approved, it would have derailed Mr. Icahn's bid.

The company said Monday that while a majority of the votes cast favored its proposal, the plan fell 9.1 million votes short of the majority of outstanding shares needed for passage.

Meanwhile Monday, Standard & Poor's Corp., a major credit-information service, slashed its bond rating for Phillips, citing the huge debt burden envisioned by the new offer. S&P cut Phillips' rating to BBB from AA.

Fraser Backs Takeover Bid By Egyptians

Computed by Our Staff From Documents

LONDON — The board of House of Fraser PLC said Monday it supported a takeover bid of \$615 million (\$661.4 million) from the al-Fayed family of Egypt for the group, which owns Harrods and 106 other stores in Britain.

The al-Fayed family owns shipping, oil, banking and construction interests, with office buildings in London, Paris and New York and the Ritz Hotel in Paris.

A Harrods spokesman said the Fraser board would recommend acceptance "in absence of any unforeseen circumstances" of the al-Fayed offer of 400 pence a share for the 70.1 percent of shares outstanding that the family does not already own.

Fraser shares rose Monday from 346 to 410 pence on the London Stock Exchange.

(AP, UPI)

Singapore's GDP, Payments Surplus Grew in '84

Reuters

SINGAPORE — Singapore's gross domestic product grew 8.2 percent last year, slightly better than the 7.9 percent rate in 1983, the Ministry of Trade and Industry said Monday in its annual economic survey.

The survey also said Singapore posted a balance-of-payments surplus of 3.2 billion Singapore dollars (\$1.41 billion) in 1984, up from 2.2 billion in 1983. The growth was attributed to an improvement in foreign investment and continued large capital inflows.

Financial and business services grew by 11 percent against the previous year's 13 percent and continued to be the leading sectors in GDP, accounting for about a quarter of the growth, the survey said.

GDP measures the total value of a nation's goods and services, excluding income from foreign investments.

Construction activity improved by 15 percent compared with 29 percent a year earlier, while manufacturing grew by 9 percent against 2 percent in 1983.

Cumulative foreign investment in manufacturing as measured by gross fixed assets stood at \$11.1 billion dollars at the end of 1983, an increase of 16 percent over 1982. Total investment in 1984 was the same as the previous year's 1.8 billion dollars.

Total external trade increased 8 percent in volume, almost twice the 1983 volume. But this growth was modest compared with double-digit increases in the years after the 1975 recession. The survey attributed the lower figures to the drop in oil trade.

Crude and petroleum products were again the major commodities traded with a value of 30 billion dollars. Crude imports dropped 1 percent after a 12 percent decrease in 1983.

Foreign reserves stood at 22.7 billion dollars at the end of 1984. The current-account deficit widened marginally to 2.14 billion dollars, about 5 percent of GDP, against the 2.09 billion recorded the year before, the survey said. Current account measures trade in goods and services as well as interest, dividends and certain transfers.

Net earnings from services fell to 7.6 billion dollars from 10.9 billion. Larger interest and dividend payments as well as freight and insurance costs and a fall in receipts from ship repairing and oil contracts also contributed to the deficit.

Capital inflow increased to 5.4 billion dollars from 4.3 billion, with foreign banks bringing in substantial funds to strengthen their base for reasons of prudence and to finance credit operations, the survey said.

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Currency Rates

Late interbank rates on March 4, excluding fees.
Official fixings for Amsterdam, Brussels, Frankfurt, Milan, Paris, New York rates of 2 P.M.

	\$	£	D.M.	F.F.	L.L.	Other	B.F.	S.F.	Yen
Amsterdam	3.2125	4.897	173.365	27.25	0.319	—	5.62	132.13	144.78
Brussels	67.875	72.67	30.177	4.57	3.279	17.70	—	24.67	24.69
Frankfurt	3.372	3.412	1.000	1.000	1.000	1.000	—	1.000	1.000
London	1.000	1.000	1.000	1.000	1.000	1.000	—	1.000	1.000
Paris	2.4930	2.4974	62.20	20.53	—	54.48	30.95	75.01	8.28
New York	1.000	1.000	1.000	1.000	1.000	1.000	—	1.000	1.000
Tokyo	16.375	11.022	2.657	4.57	3.279	17.70	—	24.67	24.69
Zurich	2.689	2.705	65.85	20.04	0.1378	25.70	—	4.26	—
1 ECU	2.489	2.495	2.527	2.527	2.527	2.527	—	2.527	2.527
1 SDR	1.95471	1.95226	2.2284	2.2284	2.2284	2.2284	—	2.2284	2.2284

Dollar Values

	\$	£	D.M.	F.F.	L.L.	Other	B.F.	S.F.	Yen
1984 Australia	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Austria	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Belgium	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Canada	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Denmark	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 France	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Germany	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Greece	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Hong Kong	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 India	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Italy	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Japan	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Korea	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Malaysia	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Mexico	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Netherlands	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 New Zealand	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Norway	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Portugal	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Spain	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Sweden	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Switzerland	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Taiwan	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Thailand	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 United Kingdom	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 United States	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 West Germany	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Yugoslavia	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—
1984 Zaire	1.032	0.631	19.88	—	—	1.974	0.079	2.925	—

(a) Commercial bank (b) Amount needed to buy one pound (c) Amount needed to buy one dollar (d) Units of 100 (e) Units of 1000 (f) Units of 10000 (g) Not available (h) Not available (i) Not available (j) Not available (k) Not available (l) Not available (m) Not available (n) Not available (o) Not available (p) Not available (q) Not available (r) Not available (s) Not available (t) Not available (u) Not available (v) Not available (w) Not available (x) Not available (y) Not available (z) Not available (aa) Not available (ab) Not available (ac) Not available (ad) Not available (ae) Not available (af) Not available (ag) Not available (ah) Not available (ai) Not available (aj) Not available (ak) Not available (al) Not available (am) Not available (an) Not available (ao) Not available (ap) Not available (aq) Not available (ar) Not available (as) Not available (at) Not available (au) Not available (av) Not available (aw) Not available (ax) Not available (ay) Not available (az) Not available (ba) Not available (bb) Not available (bc) Not available (bd) Not available (be) Not available (bf) Not available (bg) Not available (bh) Not available (bi) Not available (bj) Not available (bk) Not available (bl) Not available (bm) Not available (bn) Not available (bo) Not available (bp) Not available (bq) Not available (br) Not available (bs) Not available (bt) Not available (bu) Not

1985 Leipzig Spring Fair – Top products Made in GDR

The famous Bruehl Swan Service

Comeback at the 1985 Leipzig Spring Fair: Coffee set production resumed at the Meissen porcelain manufactory.

On June 6, 1985 the 275th anniversary of the foundation of the first European porcelain manufactory in Meissen will be celebrated. On this occasion the Bruehl Swan coffee service will be recreated and on the market again. Count Bruehl's (1700-1763) well-developed sense for luxury and presentation can still be seen today. As Prime Minister and the most powerful man in Saxony for 30 years, he was also successor to August the Strong in his capacity as director of the Meissen manufactory from 1733 until his death in 1763.

The king, August III confirmed both in 1737 and 1740 that, as a special favour every piece of china which Bruehl had and was to receive had to be given to the king as a present.

With this generous gesture the foundations were laid for the world's finest and most renowned service. Ordered in 1737 and completed in 1741, this magnificent service consisted of more than 2000 pieces of sculptured ornaments depicting the flora and fauna of the sea. Johann Joachim Kaendler created it assisted by Johann Friedrich Eberlein. According to a note made by Kaendler in January 1738 he spent three days in Dresden's natural history

museum copying rare shells in order to depict this image on the service.

The service got its name from the swan which was a favourite relief motif.

As regards the form, Kaendler had been influenced by the Louis XV style as well as by the artists Aurélie Meissonnier (1675-1750) and François Cuvilliers (1695-1768).

The large size of many of the dishes such as the tureen preclude their being considered for modern use, but this is not true for the coffee set ordered in 1739.

The coffee service is most impressive, like all the other pieces of the service, for the noble beauty of its relief, the combination of white and gold, and the sparse ornamentation of the so-called "Indian Blossoms".

Exporter:

GLAS – Keramik

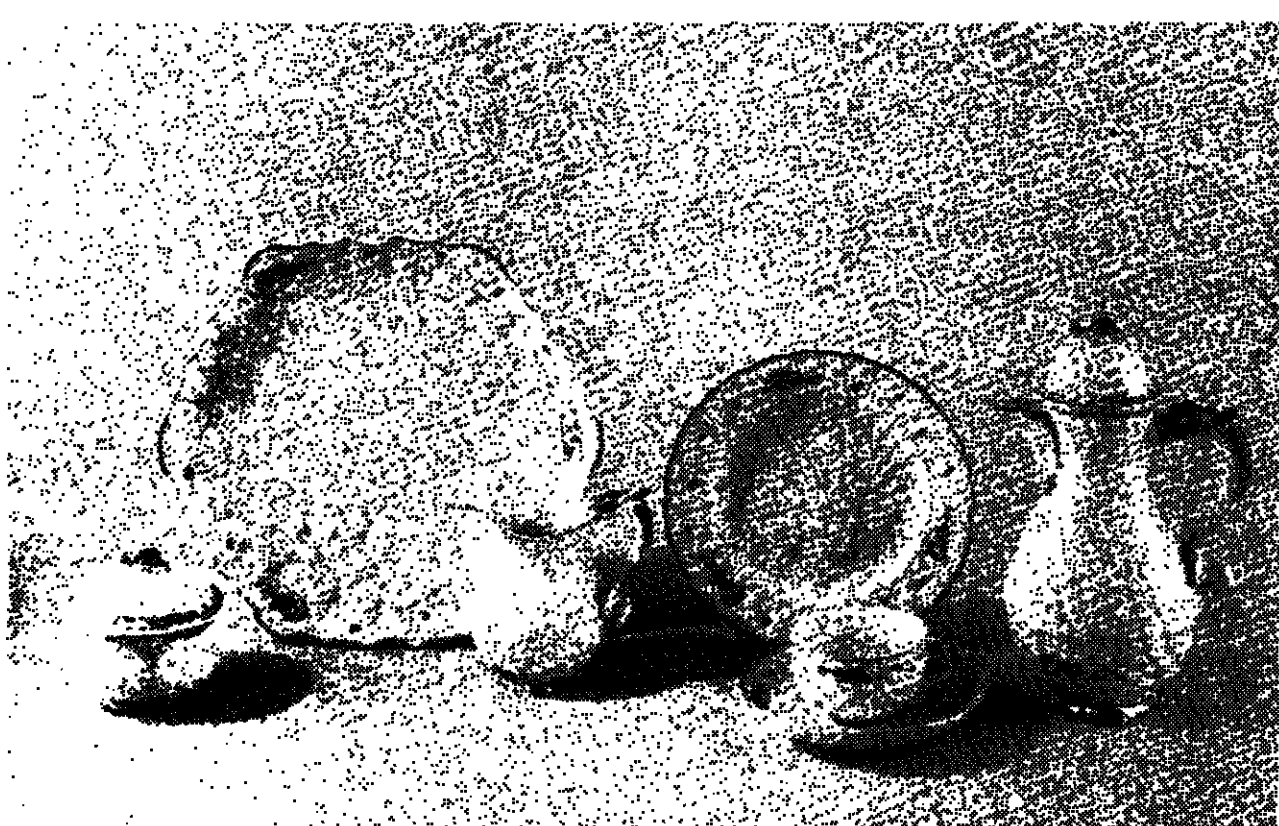
DDF – 1080 Berlin

Kronenstrasse 19/119a

Phone: 205 70

Telex: 114 661; 114 662; 114 663; 114 664;

Leipzig Contact: Maedlerpassage



275 Years of Exquisite Meissen China

Technology cannot replace artistic hand painting. "Dresden China", "Vieux Saxe", "Porcelaine de Saxe" – these terms are known to lovers of fine china, to collectors of porcelain sculptures, an international high society which is aware that valuable china turns a dull table into a festive one and makes eating a feast. These terms are established names for the china of the crossed blue swords trade mark. Taken from his coat of arms, they are a reminder of the china manufactory's founder, August the Strong. The crossed blue swords are synonymous with the world-famous Meissen china. Europe's first porcelain manufactory was established in 1710 under the name of "Royal-Polish and Electoral-Saxon Porcelain Manufactory" following a decree issued by August the Strong, Elector of Saxony and King of Poland. This year the Staatliche Porzellanmanufaktur Meissen, which always belonged to the state, first to the king then to the treasury, celebrates its 275th anniversary, a jubilee worthy of such an old and world-renowned manufactory which still adheres to its traditional methods of production. Meissen china, one of whose

outstanding features is its hand painting, cannot be technologically produced. Every piece leaving the manufactory is an original – unique and of supreme quality. This also determines the top-level circle of customers. In the 18th century European kings and queens bought Meissen china, today it is the people of a modern world, lovers of the exquisite quality of Meissen, people who in a technological

world still yearn for the unusual and the special. Prior to the foundation of the Meissen porcelain manufactory, Johann Friedrich Boettger invented porcelain in Europe in 1708. His invention was long acquiring world fame but Johann Gregorius Hoeroldt developed a wide scale of colours and introduced them in numerous forms onto the porcelain. Johann Joachim Kaendler

created forms and figures which still delight today. These three important characters devised the traditional methods rigorously employed by teams of artists since the foundation of the Meissen manufactory 275 years ago. Thus, on the one hand classical creations dating back to the Rococo period abound and, on the other, modern forms and designs.

The Staatliche Porzellanmanufaktur Meissen has a great range of models, styles and designs created during its long history and still used today.

Many famous museums, including Dresden, Hamburg, Vienna, London, Amsterdam, Munich, Paris and Leningrad consider themselves fortunate to possess a collection of Meissen china. The internationally renowned London auctioneers also value Meissen as a highlight of their porcelain auctions.

Meissen rightly has a reputation as a rare item and it will remain so as the china is produced in a manufactory and this limits production. Thus every connoisseur of Meissen china knows that buying the exquisite porcelain today means possessing the antique of tomorrow.



Traditional hand painting



THE INTERHOTEL BELLEVUE

On March 6, 1985 the opening of the Hotel BELLEVUE, on one of the prettiest parts of the banks of the Elbe, will coincide with the GDR/Japan Economic Committee meeting. Residents of Dresden have watched with excitement this attractive hotel being built between the time-honoured Blockhaus and the Japanese Palace. Of particular interest was the architectural feat which incorporated the historic town house with the two courts of the former Grosse Meissner Strasse into the modern long group of buildings. The cosy rooms, luxurious interior, excellent service and friendly hospitality of its numerous restaurants, combined with a rich touristic program will quickly ensure the international reputation of the Hotel BELLEVUE, and certainly win new friends for Dresden, its art and culture and magnificent surroundings.

In the hotel's health centre, which is equipped with the most up-to-date gadgets, guests can follow the multi-step oxygen therapies of Prof. M. v. Ardenne as well as the Kneipp cures, medicinal bath

and massage. Doctors and physiotherapists are available for guests' medical care.

The fitness club includes a sizeable swimming pool, solarium, ladies' and gents' saunas, bowling alleys and fitness apparatus. Outdoor sports include jogging, tennis and horseriding. The Hotel BELLEVUE has a well-equipped conference and banquet centre with a maximum capacity of 335 delegates. Six exclusive reception rooms for individual parties, business lunches and presentations are also at guests' disposal. Much in demand are hotel programs for conference delegates or individual travellers which include a visit to the renovated Semper Opera, rounding off the evening with a festivity at

the Hotel BELLEVUE. Rent-A-Car, hotel limousine services and Elbe boat trips are also on offer, as well as world wide reservation facilities within the scope of SUPRANATIONAL and GOLDEN TULIP reservations. The Hotel BELLEVUE can be reached from the airports of Berlin-Schönefeld, Leipzig and Erfurt by the new INTERFLUG, type L-410 saloon aircraft.

For reservations or further information, please contact:
HOTEL BELLEVUE
DDR – 8060 Dresden,
Kipchstrasse
Telephone for Sales Office:
6562734
Telex: 26271

"I much appreciate the fact that the GDR makes so

great an effort to preserve outstanding artistic monuments and buildings of the past in villages and towns which have an historic and cultural tradition in order to hand them down to future generations. Furthermore, as one personally involved I am very proud of the fact that the Hotel Bellevue is being built in Dresden, at one of the most representative places of cultural interest. It will be a new and modern element of Dresden but in harmony with its surroundings.

After its successful completion the hotel will make an essential contribution to the further promotion of tourism to the GDR.

More and more tourists will come to Dresden and for them a stay in this hotel will be most appealing. The rapid construction work done so far reflects the excellent co-operation between all of those involved as well as excellent management by the GDR. So, on the occasion of the topping-out ceremony I would like to express my most cordial gratitude to all the GDR employees and workers concerned."

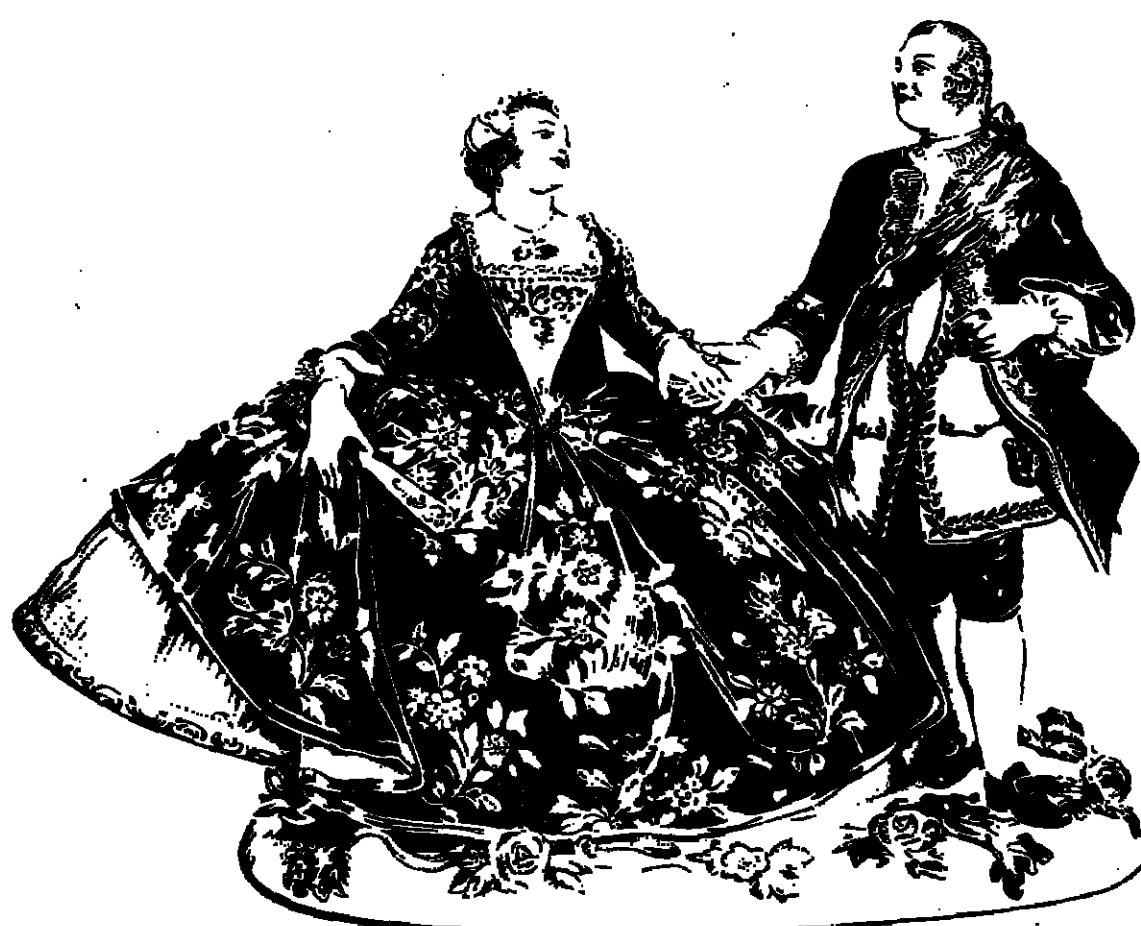
President:
Japan GDR Project Co., Ltd.

For further information, see the Trade and Technical Review – News on Foreign Trade of the German Democratic Republic 1/2 1985 p.p. 55/56 New Highlights of Dresden, metropolis of the arts. Reading this article

you will learn more about world famous places of cultural interest in Dresden as e.g. the Zwinger with the art gallery "Old Masters", the Green Vault and not forgetting the Semper Opera House which reopened February 13, 1985.

275 YEARS
MEISSEN
PORCELAIN

EUROPE'S
FIRST
PORCELAIN



VEB STAATLICHE PORZELLAN-MANUFAKTUR
MEISSEN
GERMAN DEMOCRATIC REPUBLIC

1985 Leipzig Spring Fair - Top products Made in GDR

Robotron - Microcomputers of Dresden

The beauty and splendor of Dresden on the River Elbe - a flourishing metropolis of the arts and custodian of a proud tradition shaped by famous artists, architects and scientists in past epochs - leave a lasting impression on visitors. Yet Dresden is also a modern city characterized by a vigorous growth and technical progress. And it is the centre of the data processing industry of the GDR since Dresden has become the seat of the nationally owned combine Robotron.

VEB Kombinat Robotron ranks among the largest industrial enterprises of the GDR. About 70% of Robotron's products are dispatched to more than 60 countries in four continents where they are proving their worth to the complete satisfaction of the buyers.

The production program of VEB Kombinat Robotron includes main frames for electronic data processing systems, small computers, microcomputers, peripherals, typewriters, measuring and testing instruments, communication equipment, drawing machines, filing and other organizational aids, a large assortment of OEM units and assemblies, and consumer durables in the entertainment electronic field. Robotron's activities are by no means limited to hardware. It also offers complete software systems and program packages covering specific problem-oriented solutions. The export range of VEB Kombinat Robotron therefore encompasses:

— Accounting and invoicing

machines, data collecting machines, terminals of varying levels of intelligence and in differing configurations with the corresponding software backing to tailor them to the demands of specific applications.

— Complex problem-oriented solutions based on small computers for agriculture, transport and the service industries, and to automate engineering work.

— Medical and image processing computer systems and other highly specialized applications.

— Peripherals, including

printers, external stores and punch-tape devices.

— Mechanical, electric and electronic portable and office typewriters, word processors.

— Electronic measuring equipment, particularly for acoustics, fault localisation, board checking and repair services.

— Drawing machines, boards, tables and other items of equipment for the drawing office based on the traditional principles of fine-limit engineering and incorporating the very latest advancements made in microelectronics.

Furthermore, VEB Kombinat

Robotronics offers the following comprehensive services for its entire production program:

— Consultants for project planning and applications engineering.

— Project management, installation and operating.

— Staff training for machine operation, maintenance and repair.

— Establishing and maintaining dependable after sales in other countries.

VEB KOMBINAT ROBOTRON offers advisory, project management and training services, and it commissions

delivered complex solutions ready for service to ensure that the highest standards of operating efficiency are always achieved.

Robotron is the general contractor for:

— Complete computer centres.

— Technological equipment for the manufacture of final products of computer and office machinery, engineering as well as electronic consumer durables.

— Organisation solutions and computer hardware for the health service

— Complete production

plants, buildings and equipment for the assembly and testing of electrical and electronic instruments; technologies covering the entire production process; organisational conceptions and aids; social and medical facilities.

— Complete design, technology and project-planning offices, including the requisite drawing machines, computers, office machines, office furniture and other items of furnishing.

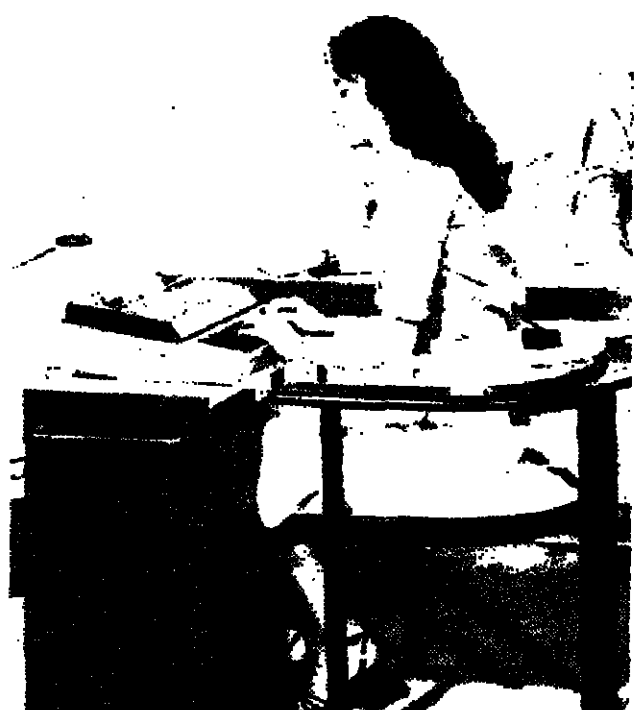
— Complete training establishments and special classrooms for university and college engineers, for skilled workers in the fields of electrical engineering/electronics, electronic data processing, information and organisation techniques, and for designers, project planners and draftsmen.

— Measuring and training laboratories for general and specialised fields of electronics, microelectronics, and for measuring electronics such as sound and vibration measurement, nuclear radiation techniques, etc.

— Servicing stations for electronic measuring instruments, data processing hardware, radios and television sets.

Exhaustive scientific research, and the rapid transfer of scientific findings to production level for the manufacture of highly competitive products, are the reason for Robotron's growth rate in the order of 2 digits and for its success in the world market. And this is where the Robotron combine is participating in international fairs, or is organising its own exhibitions, to present its latest range of products to the general public and its foreign buyers.

Exporter:
ROBOTRON EXPORT
IMPORT
DDR - 1080 Berlin
Friedrichsstrasse 61
Telephone: 2000311; 2071996
Telex: 0112311
Leipzig Contact:
Technical Fair, Hall 15



Complete Range of Modern Typewriters

Apart from the traditional range of practice-proven portable typewriters and electric office typewriters currently in operation worldwide, VEB KOMBINAT ROBOTRON will also exhibit at the Spring Fair in Leipzig its latest series of electronic typewriters of varying capacity and sophistication. These modern electronic models ensure maximum output with the minimum amount of effort. The Robotron S6011 and Robotron S6010 electronic typewriters have all the facilities required of a machine of this class - automatic paper injection and advance to the first line, automatic underlining and double character spacing, as well as freely selectable insertion of standard text sections and text alterations, high-speed automatic text typing which relieves the typist of a vast amount of routine work.

Instant correction and a correcting facility in conjunction with the relocate function make it possible to produce error-free masters and copies. The typeface wheel can be exchanged by the user in a matter of seconds to permit the use of different keyboards.

The Robotron S6010 model is currently available in the following bilingual configurations: Arabic/Latin; Cyrillic/Latin. This model can also be fitted with a V24 interface and thus assume the functions of a data receiver.

The Erika Electronic Compact is ideal for occasional typing on a semi-professional basis, and where a high quality of typescript is required. It is fitted with a correction memory of one line capacity.

The Erika Electronic Compact is an economical investment wherever the workload does not justify a larger, more expensive machine. A correction memory with a capacity of approximately 170 characters produces faultless typescript.

The range if complemented by the Erika Electric. A novel integrated typing equalizer enables even the unskilled typist to produce very neat typescript. The first Erika portable was produced in Dresden in 1910 and since then the company has distributed more than seven million similar typewriters.

World renowned and internationally revered - Musical instruments made in the GDR

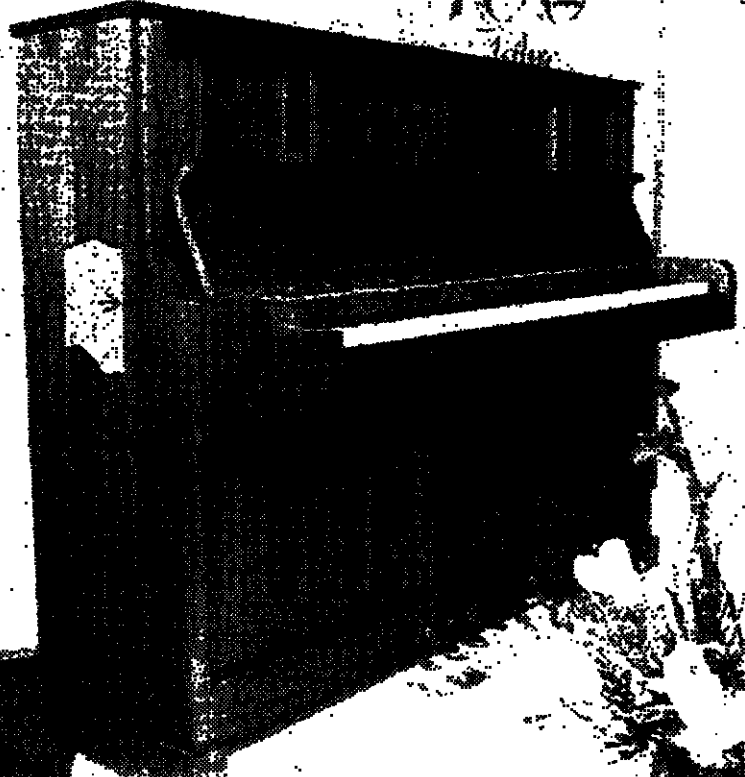
Musical instruments made in the GDR enjoy a high reputation worldwide and have won the appreciation and confidence of many music-lovers for their excellent quality.

Upright and grand pianos, historical keyboard instruments, organs, electronic keyboard instruments and amplifiers, accordions, mouth organs, string and plucking instruments, woodwind and brass as well as percussion instruments are supplied to customers in 80 countries in all five continents. Great artists and world-famous orchestras play them in the concert halls, music schools and conservatories the world over. The USA is one of the main overseas trading partners and Hanseatic Overseas Trading Inc. of 212 South Magnolia Avenue, Tampa/Florida 33606 represents the GDR locally.

In the mid 17th century the first violins were made in Markneukirchen in the Vogtland and here the foundations were laid for the world-famous musical instrument industry of the GDR. Begun more than three centuries ago and handed down from generation to generation, the rich pool of experience of the Markneukirchen string and plucking instrument makers formed an important basis for top quality products.

There is a long tradition of wind as well as string instruments, and production for these also started in the Vogtland, at the beginning of the 18th century. All kinds of flutes, piccolos, clarinets, bassoons and double bassoons, oboes and cors anglais are produced. Rigorous processing techniques ensure pure pitch after long

ZIMMERMANN pianos have been produced for more than 100 years.



Internationally renowned grand and upright pianos include the names of BLUETHNER, AUGUST FOERSTER, FUCHS & MOEHR, EISENBERG, GEYER, ALEXANDER HERRMANN, HUPFELD, NIENDORF, ROENISCH, ROEHMILDT, SCHILLER and ZIMMERMANN. Produced by the GDR piano industry, they are exported to more than 40 countries by the GDR foreign trade enterprise DEMUSA, Klingenthal. The firm's export program ranges from upright pianos between 98 and 123 cms high through to grand pianos varying between 135 and 278 cms in length. Some 40 models are available with numerous different cases and excluding concert grands, with various veneers and surface designs. The GDR piano industry is doing a lot to keep its models in line with contemporary trends in furniture. This is re-

Upright and grand pianos for music at home

flected in a number of new piano cases produced in recent years. In particular, models with pillar supports have been added to the existing range. ZIMMERMANN pianos are in great demand internationally. More than 350,000 pianos of this make have been produced over the last 100 years. They are popular with music lovers at home, in schools and conservatories in many countries. Substantial sales are due not only to their high quality of tone but also the continuous improvements made to the instruments. One of the most recent examples is the ZIMMERMANN III piano range. The various types

and cases of this range have an improved acoustic mechanism which, together with the other construction modifications, have produced better quality of sound and playing compared with the previous ZIMMERMANN 105 range. The new model was awarded a gold medal at the Leipzig Trade Fair in recognition of its outstanding quality. ROENISCH pianos, manufactured since 1845, are also popular. Some 175,000 of these pianos have so far been sold throughout the world. The outstanding quality of tone of ROENISCH instruments has been praised by such names as Richard Strauss, Giacomo Puccini, Hans von Bülow, Anton Rubinstein, Edward Grieg and Wilhelm Backhaus. The manufacturer of ZIMMERMANN, ROENISCH and ROEHMILDT pianos is the nationally-owned Deutsche Piano-Union Leipzig, one of Europe's largest piano producers.

materials ensure outstanding qualities of tone and sound with both Foerster and Bluetheuer instruments. "August Foerster" grand pianos are offered in four different sizes from the

275cm long concert grand "Super Mondial" to the 170cm long model for the music room at home. Models 170 and 190 are available in Chippendale, antique and Rococo styles.

Exporter: DEMUSA
DDR - 9652 Klingenthal,
Leinestraße 133
Telephone: 2341
Telex: 77 920; 77 952
Leipzig Contact:
Petershof



use, precise and easy play and the wide compass of these internationally esteemed "sounding treasures". A woodwind instrument on the American market is the Sonora 1359 bassoon. This instrument has been developed in close cooperation with such famous bassoonists as Prof. Cooper of the University of Michigan.

Another interesting product of the wide range of Vogtland woodwind instruments are recorders made of the best, impregnated wood carrying the labels of Venus, Saturn, Jupiter, Musina, Alexander Heinrich, Werner Schneider or Adler. A wide range of models is on offer, recorders for school and home, chamber orchestra or solo playing. Another hit is the baroque recorder "Meister Werner Schneider" whose wide compass and powerful sound are much admired in the USA.

The whole range of brass instruments is produced in the Vogtland area and distributed to 60 countries. The latest model is a 5-valve C-tuba which has aroused considerable international interest and is already played in the USA, in Japan and numerous European countries. It was developed through the close cooperation of tuba players from the GDR, France, the FRG and the USA. Since 1852 accordions have been constructed in Klingenthal and are exported to many countries, among them the USA. The instruments produced today with the label of Weltmeister, Barcarole, Firotti, Royal Standard, Galotta, Bandmaster and Vogtlander are the result of many years of experience and continuous improvement. Piano and button accordions, Viennese and other kinds of concertinas are on offer. Special concertinas and ladies' models are produced especially for the American market.

Klingenthal also produces mouth organs of varying sizes and designs. The instruments include the world-famous brands Bandmaster, Weltmeister, Olympia or Verona.

Upright and grand pianos have been built in Leipzig, Loebau and Eisenberg for 140 years - pianos for the home, school, music schools, concert halls and conservatories. Their labels carry a guarantee of quality - Bluetheuer, August Foerster, Zimmermann, Roenisch, Hupfeld, Geyer, Fuchs & Moehr, Alexander Herrmann and others.

The Zimmermann piano, for instance, has long been one of the best-selling instruments on the European market. These experienced piano-makers guarantee the best quality of sound. Complex acoustic specification, particular methods of production and well-chosen



Leipzig Fair
German Democratic Republic

10/16 March 1985
1/7 September 1985

Business is all...
...at the world centre of trade in Leipzig
We have a Fair experience of 819 years...
...this is your advantage today.

Leipzig offers you
in one place and within only seven days
● negotiations with the efficient GDR industrial world
● best presentation of your export goods
● excellent information facilities for your import intentions
● specialised talks with economic experts and specialists from all over the world
● information on developments in science and technology.

In the focus of 1985: Raw materials, fuels and energy - to be extracted, processed and used efficiently

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Fair Cards and information may be obtained from the agencies and representatives of the Leipzig Messeamt in 90 countries and at all frontier posts of the GDR. Further information from Leipziger Messeamt, DDR-7010 Leipzig, Postfach 720, Tel. 71810, Telex 512 294

NYSE Most Actives					
Symbol	Vol.	High	Low	Last	Chg.
IBM	1,000,000	125.00	124.00	124.00	-1.00
AT&T	1,000,000	45.00	44.00	44.00	-1.00
GE	1,000,000	35.00	34.00	34.00	-1.00
AMT	1,000,000	15.00	14.00	14.00	-1.00
GO	1,000,000	15.00	14.00	14.00	-1.00
MSFT	1,000,000	15.00	14.00	14.00	-1.00
INTL	1,000,000	15.00	14.00	14.00	-1.00
DIS	1,000,000	15.00	14.00	14.00	-1.00
W	1,000,000	15.00	14.00	14.00	-1.00
BA	1,000,000	15.00	14.00	14.00	-1.00

Dow Jones Averages					
Index	Open	High	Low	Last	Chg.
Industrial	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Transport	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Composite	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00

NYSE Index					
Index	Open	High	Low	Last	Chg.
Industrial	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Transport	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Composite	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00

Monday's NYSE Closing					
Index	Open	High	Low	Last	Chg.
Industrial	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Transport	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Composite	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00

AMEX Diaries					
Index	Open	High	Low	Last	Chg.
Industrial	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Transport	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Composite	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00

NASDAQ Index					
Index	Open	High	Low	Last	Chg.
Industrial	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Transport	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Composite	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00

AMEX Most Actives					
Symbol	Vol.	High	Low	Last	Chg.
IBM	1,000,000	125.00	124.00	124.00	-1.00
AT&T	1,000,000	45.00	44.00	44.00	-1.00
GE	1,000,000	35.00	34.00	34.00	-1.00
AMT	1,000,000	15.00	14.00	14.00	-1.00
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INTL	1,000,000	15.00	14.00	14.00	-1.00
DIS	1,000,000	15.00	14.00	14.00	-1.00
W	1,000,000	15.00	14.00	14.00	-1.00
BA	1,000,000	15.00	14.00	14.00	-1.00

AMEX Stock Index					
Index	Open	High	Low	Last	Chg.
Industrial	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Transport	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
Composite	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00
NYSE	1,299.00	1,295.00	1,285.00	1,285.00	-14.00

Volume Declines in N.Y. Market

United Press International
NEW YORK — A decline in the stock market was picking up speed late Monday after a new effort to crack through the 1,300 barrier proved unsuccessful.

The Dow Jones industrial average, which gained 15.35 Friday, was down 12.04 to 1,287.32 about an hour before the close. The index retreated a few points in the first hour, started to recover, then went into a new decline. Declines led advances by a 2-1 ratio among the 1,963 issues crossing the New York Stock

Exchange tape. The five-hour Big Board volume amounted to about 86.9 million shares, compared with 115.95 million in the corresponding period Friday.

Prices were lower in active trading of American Stock Exchange issues.

The Dow index has been over 1,300 a few times since mid-February but on a closing basis the record is Friday's 1,299.36.

"There's no rational explanation for the fascination with round numbers," said Anthony Tabell of Delafield, Harvey & Tabell, Princeton, New Jersey.

He said that at the moment he would not hazard a guess which way the market was going to go but he said if the Dow falls through the 1,275 area it could wind up as low as 1,240 or 1,225. On the other hand, if it holds above 1,270

and breaks through 1,300, the blue-chip indicator could hit the higher 1,300s.

He said there were signs of a move away from the leaders of the recent rally and back to utilities and defensive issues that were in the spotlight in 1984.

Some economists believe that recent increases in the money supply will lead to tightening of credit by the Federal Reserve. They say the Fed has more room to maneuver with the pullback of the U.S. dollar on currency markets last week.

"It makes no difference whether the Dow is above 1,300 or below 1,300, the economic background music is the same," said Hugh Johnson of First Albany Corp., Albany, New York.

The leading indicators report Friday put to rest once and for all any lingering fears about a recession and instead pointed to a growing economy through the second and third quarters of 1985, Mr. Johnson said.

He said the bond market will have problems and, "I don't think the stock market can lug the weight of a floppy bond market for long."

Other negatives he said include an excess of optimism and too little cash. After the correction, Mr. Johnson looks for a healthy, sustained move to the upside.

Before the stock market opened, the Commerce Department reported sales of single-family houses increased 2.6 percent in January to a seasonally adjusted annual rate of 620,000 units.

On the trading floor, Phillips Petroleum was near the top of the active list and higher at midsession. Phillips reached a settlement with Carl C. Icahn, who had been seeking to acquire 70 million shares.

Where Will You Be Without Gold If The Dollar Drops Again?

The "almighty dollar" today is not quite so almighty.

Its recent fluctuations on foreign exchange markets may be just a hiccup. Or the beginning of the greenback's long-awaited decline. Whichever the case, Krugerrand gold bullion coins are your best protection against currency instability.

Can you think of a better refuge when the dollar is in doubt? Ask your bank or broker about Krugerrand gold bullion coins.

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Money you can trust.

Please note that International Gold Corporation does not provide a buying or selling service.

12 Month High Low Stock Div. Yld. PE 52 200 High Low Close

Symbol	Vol.	High	Low	Last	Chg.
IBM	1,000,000	125.00	124.00	124.00	-1.00
AT&T	1,000,000	45.00	44.00	44.00	-1.00
GE	1,000,000	35.00	34.00	34.00	-1.00
AMT	1,000,000	15.00	14.00	14.00	-1.00
GO	1,000,000	15.00	14.00	14.00	-1.00
MSFT	1,000,000	15.00	14.00	14.00	-1.00
INTL	1,000,000	15.00	14.00	14.00	-1.00
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W	1,000,000	15.00	14.00	14.00	-1.00
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MSFT	1,000,000	15.00	14.00	14.00	-1.00
INTL	1,000,000	15.00	14.00	14.00	-1.00
DIS	1,000,000	15.00	14.00	14.00	-1.00
W	1,000,000	15.00	14.00	14.00	-1.00
BA	1,000,000	15.00	14.00	14.00	-1.00

(Continued on Page 12)

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Monday's AMEX Closing

Vol. of 3 P.M. 1,336,000
Prev. 3 P.M. vol. 1,240,000
Prev. consolidated close 11,440.000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE St. Wtd High Low

Stock	High	Low	Open	Close
IBM	114.50	113.50	114.00	113.75
Microsoft	28.50	27.50	28.00	27.75
Apple	11.50	11.00	11.25	11.125
Oracle	18.50	18.00	18.25	18.125
Unisys	15.50	15.00	15.25	15.125
QED	12.50	12.00	12.25	12.125
Int'l Data	10.50	10.00	10.25	10.125
Software	8.50	8.00	8.25	8.125
Computer	6.50	6.00	6.25	6.125
Systems	4.50	4.00	4.25	4.125
Services	3.50	3.00	3.25	3.125

Industries

Stock	High	Low	Open	Close
General Electric	28.50	27.50	28.00	27.75
Westinghouse	24.50	23.50	24.00	23.75
Rockwell	18.50	17.50	18.00	17.75
Boeing	15.50	14.50	15.00	14.75
Lockheed	12.50	11.50	12.00	11.75
Northrop	10.50	9.50	10.00	9.75
Grumman	8.50	7.50	8.00	7.75
McDonnell Douglas	6.50	5.50	6.00	5.75
Raytheon	4.50	3.50	4.00	3.75
Hughes	3.50	2.50	3.00	2.75
Rockwell International	2.50	1.50	2.00	1.75

Stock Indexes

Index	High	Low	Open	Close
Dow Jones	1,336.00	1,330.00	1,332.00	1,331.00
S&P 500	1,336.00	1,330.00	1,332.00	1,331.00
NASDAQ	1,336.00	1,330.00	1,332.00	1,331.00
NYSE	1,336.00	1,330.00	1,332.00	1,331.00
AMEX	1,336.00	1,330.00	1,332.00	1,331.00

Commodity Indexes

Index	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Market Guide

Market	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Cash Prices

Cash	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

London Metals

London	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Consumer Prices

Consumer	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Higher Gas

Higher	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Higher Gas

Higher	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Higher Gas

Higher	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Higher Gas

Higher	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Higher Gas

Higher	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Higher Gas

Higher	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
Platinum	1,336.00	1,330.00	1,332.00	1,331.00
Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Higher Gas

Higher	High	Low	Open	Close
Crude Oil	1,336.00	1,330.00	1,332.00	1,331.00
Gold	1,336.00	1,330.00	1,332.00	1,331.00
Silver	1,336.00	1,330.00	1,332.00	1,331.00
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Palladium	1,336.00	1,330.00	1,332.00	1,331.00

Stock	High	Low	Open	Close
IBM	114.50	113.50	114.00	113.75
Microsoft	28.50	27.50	28.00	27.75
Apple	11.50	11.00	11.25	11.125
Oracle	18.50	18.00	18.25	18.125
Unisys	15.50	15.00	15.25	15.125
QED	12.50	12.00	12.25	12.125
Int'l Data	10.50	10.00	10.25	10.125
Software	8.50	8.00	8.25	8.125
Computer	6.50	6.00	6.25	6.125
Systems	4.50	4.00	4.25	4.125
Services	3.50	3.00	3.25	3.125

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Computer	6.50	6.00	6.25	6.125
Systems	4.50	4.00	4.25	4.125
Services	3.50	3.00	3.25	3.125

184	13	TadPac	20	1.12	13	189	78	173	-	-
184	64	Yamaha	19	1.12	13	189	78	173	-	-
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184	64	Yamaha	19	1.12	13	189	78	173	-	-
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NASDAQ National Market Prices

(Continued on Page 15)

Spain. Everything under the sun



New Markets for World's Fastest Computers

(Continued from Page 7)

ing not for attribution, asked rhetorically.

Part of the concern is sparked by the Japanese, whose first, government-sponsored entries in the supercomputer race two years ago spurred broad support in Washington for the National Science Foundation project.

But part of it also arises from the severe shortage of technical talent on American college campuses.

"We have to focus first on the academic community, because that's where it all starts," said John Connolly, director of the National Science Foundation's office of advanced scientific computing. "Ultimately, that's a way of aiding the industry, too."

Analysis attributes much of the momentum now to the fact that the Japanese, who appeared poised to level American competition two years ago, have not yet won orders from Hitachi Ltd. has developed a fast and impressive machine, experts say, but has held back on marketing in the United States.

"I think they have smelted the political climate here," said one American executive close to the company's sales effort in the United States.

Fujitsu Ltd., which owns 49.5 percent of Sunnyvale, California-based Amdahl Corp. and makes

most of that company's IBM-compatible mainframes, has been bolder. It has aggressively sought contracts in the United States, but has yet to announce a firm order.

In short order, however, the Japanese may boast the most attractive supercomputers for commercial use.

But the key question for many is whether, and when, IBM will join the fray with a supercomputer.

Just what kind of entry IBM would make, however, is unclear.

"We recognize that there are many different approaches," said Jack D. Kuebler, the IBM executive who heads the company's mainframe efforts.

Unemployment Rate Fell in West Germany

Reuters

NUREMBERG — West German unemployment, unadjusted for seasonal factors, eased to 2.61 million in February from 2.62 million in January, the Federal Labor Office said Monday. The total registered 10.5 percent of the work force, against 10.6 percent in January.

The unadjusted figure compares with a jobs total of 2.54 million, or 10.2 percent of the work force, in February last year.

Beaming American TV Into Europe

(Continued from Page 7)

which also has a high proportion of English-speaking residents.

"Sky has been the battering ram of television deregulation in Europe," said Claire Enders of Thorn EMI's Music Box channel, a pan-European cable service similar to Warner-Amex's U.S. service, MTV. She said Sky's existence had forced television regulators to rethink their assumptions about the future of commercial television in Europe.

"We've made compromises that we didn't have to," said Patrick Cox, Sky's managing director. "We don't carry ads for alcohol, or pharmaceuticals, for example. I like to say that we make programs, not laws. You can't stop and fight legal battles when you're trying to build an international network."

This get-along-along policy, plus the quiet belief of many in Europe's television community that Sky just might win a legal case if it were denied access because of its foreign origin, has enabled the satellite broadcaster to gain the ca-

ble access it needs to show viewers its brand of television.

"We're Europe's first wholehearted television entertainment channel," said Mr. Cox, who came to Sky from Radio Luxembourg, the Luxembourg-based television broadcaster. "It happens to be going through cable because it's the only way to go."

For nearly 10 hours a day, Sky offers its viewers a video potpourri of American program reruns, old movies, sports events and Sky Trax, a music video program produced by Sky.

"The Sky audience is the 'Dallas' audience," said Ms. Enders of Thorn EMI, referring to the Lorrain cable opera series that has been an enormous hit in Europe.

"It's advertiser-supported tabloid television," said Mr. Howkins of the International Institute of Communications, alluding to Mr. Murdoch's shrill tabloids such as the London Sun and the New York Post, which are known for their sensational treatment of news.

"What the audience tells us is that they love it," countered Mr. Cox, who said he has the ratings to prove it.

Sir James, who advises Mr. Cox on television programming, added, "These programs may be reruns to Americans, but nobody in Europe has ever seen them before."

Since it began operating, Sky has attracted blue-chip multinational advertisers such as International Business Machines Corp., Procter & Gamble Co., Mars Inc. and others interested in global advertising, using a single theme to advertise a product around the world.

"They're attacking the problem in a professional way," Andrew B. Dobbie, marketing director for Mattel Toy Europe, said of Sky.

Thomas F. McGuire, a management supervisor of Batten Barten Durstine & Osborne's International at Wrigley's Gum account, said, "We take Sky seriously. If this is going to catch on, then getting in on the ground floor is important."

"It's the closest thing in Europe to American commercial television," Mr. McGuire continued.

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Over-the-Counter

NASDAQ National Market Prices

March 1

(Continued from Page 14)

Sales in 1984 High Low 3 P.A. Chg.

Rover's 84 34 17 18 +4

Sales in 1984 High Low 3 P.A. Chg.

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Over-the-Counter

NASDAQ National Market Prices

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Over-the-Counter

NASDAQ National Market Prices

March 1

(Continued from Page 14)

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ART BUCHWALD

The Situation Is Taxing

WASHINGTON—Democrat Representative Tender was chuckling.

"What's the joke?" I asked him, as we stood on the steps of the Capitol after lunch.

"They're all coming up here to make their case and get relief."



Buchwald

"Who is they?"

"The people who voted for Ronald Reagan in November because he promised to cut government spending without raising their taxes. The joke is everyone is talking about the other guy when it came to chopping off a federal program. The farmers voted for him because they believed he would eliminate urban transportation subsidies, and the Yuppies voted for him because they wanted him to cut agricultural price supports. The conservative students thought his economies had nothing to do with school tuition, and the Republican governors still can't believe the Gipper wants to do away with federal revenue sharing."

"But the president has to cut the budget deficit," I said.

"I didn't say he doesn't. All I'm saying is that everybody who voted for him, except for the defense contractors, didn't realize they were on Stockman's hit list. Come over to my office and see what's going on."

We wandered over to the Sam Rayburn Building. Tender pushed through the crowd to his office.

"I make them take a number like you do in a Baskin Robbins ice cream store," he rang for his secretary. "Who's out there this afternoon?"

Railroad History Show

FRANKFURT — About 350,000 people visited the Frankfurt train station over the weekend to see an exhibition on 150 years of German railroading.

Frankfurt was the second stop of the exhibition's tour of 160 West German cities and towns.

She replied, "There is a delegation from the Fraternal Order of Retired Military Officers, the Contractors to Save Federal Highways, the Tax Shelter Institute of America, the Tobacco Growers United, the American Medical Association, the Veterans of Foreign Wars, the Brotherhood of Real Estate Brokers, the U.S. Chamber of Commerce and the entire state of South Dakota."

"Anybody waiting who voted for the Democrats?" Tender asked.

"Not that I know of. The Retired Military Officers are holding number 345 and are next."

"Send them in," Tender said.

The RMO delegation crowded into Tender's office. The spokesman said, "Congressman, are you going to allow cuts in our fighting men's pensions?"

"I hadn't thought about it until our commander-in-chief said it had to be done."

"It's an outrage. We had a contract with the American people that if we served our country we would be compensated for it. Now they're trying to break the faith and it's your duty to stop it!"

"Have you gentlemen taken this up with the Republicans?"

"They have to support the president on this. Our only chance is for the Democrats to stop it before it becomes a fact."

"I don't know why you are so shocked. The president has to cut everything across the board."

"Then why doesn't he cut the weapons budget? As retired military people we can assure you there's more waste there than any place in the government."

"I didn't think I'd ever hear you people say that."

"We wouldn't before Reagan announced he was going to cut back on our pensions. Congressman, you're our only hope," the spokesman said with tears in his eyes.

"I'll put my arm around the man. I'll see what I can do."

After they left, Tender said, "This has been going on ever since President Reagan proposed his new budget. I know I shouldn't enjoy it, but Democrats have so little to be happy about. It isn't our fault that the people gave the president a mandate and he gave them the sword."

Humidor-Room Closing Ends Cigar Era

By William E. Geist

New York Times Service

NEW YORK—Housekeepers, messengers, chauffeurs and all manner of hired help are bounding up the plush carpeted staircase at Dunhill's on Fifth Avenue these days, dispatched forthwith to fetch their employers' cigars.

The Dunhill Humidor Room, where monarchs, presidents, captains of industry and the merely rich have stored their finest cigars for decades, is closing. One does not wish to speak of such delicate matters as financial affairs, but Alfred Dunhill of London can simply no longer afford to pay the soaring Fifth Avenue rents to store more than 400,000 of his clients' cigars.

In the Humidor Room, the private, climate-controlled cedar lockers — or "keeps," as they are called — bear such names as President John F. Kennedy, Sir Winston Churchill, Alfred Hitchcock and Milton Berle.

Trouble is, a lot of the clients are dead. Even some of the live ones have been heard from for decades. The knobs on many of the keeps are coated with years of dust. Meanwhile, the store must deny humidor space to new clients who actually buy cigars.

The store assesses no maintenance charge for this "laying down" of cigars in its humidors, where the temperature is 65 degrees, the humidity is 68 percent and the air is so fresh that Nigel Calladine, the store manager, asks overly perfumed patrons to leave, so as not to contaminate the cigars.

Dunhill recently sent out a third and final letter notifying customers that they must clean out their keeps by the end of the month.

"It's the end of an era," said a 66-year-old customer from Fair Hills, New Jersey.

David Lee, the altogether proper humidor dealer, said that a congressman he informed of the closing had been near tears and that about five people had threatened to file suits to stop the closing.

"It's more chipping away of the glory, the graciousness that used to be New York," said Gene Shalit of NBC News, who was in the store to pick up 10 boxes of pre-Castro Cuban cigars that which he had stored there for 21 years.

Others picking up their cigars recalled that the room — which is lined with cedar shipping chests and furnished with leather chipping desks — had become something of a men's club, with customers talking sports and business deals while smoking mellow cigars and becoming one with the woodwork. Some napped on the couches.

"That would never happen now," said Calladine, the manager. "Life is too fast-paced."

He said the store would give up the 2,500-square-foot room, which opened on 42d Street in 1924 and moved to Rockefeller Center in the 1930s. Dunhill's is planning a



NBC's Gene Shalit retrieving boxes of cigars from Dunhill's Humidor Room.

more compact humidor, with space available only to regular purchasers. "We are trying," he said, noting that expensive cigars are seeing a surge in sales. "To reach the new wave of 35- to 45-year-old heavyweights who see the cigar as a symbol of success."

"The Duke of Windsor came here to smoke a cigar on many an occasion," said Lee, who noted that some of the duke's cigars were still at the store.

Dunhill's record-keeping system is a tin of old dog-eared index cards carrying the names, addresses, favorite types of cigars and drawings of Rothschilds, Rockefellers, du Ponts and even a Caesar (Sid), among hundreds of other notables.

"I wanted to computerize all of this," Lee said, "but a video display terminal just wouldn't do in this room."

Sure enough, under W in the card file is "Windsor, the Duke of." Under H, "His Grace, the Duke of Marlborough, Blenheim Palace, England, Flor De A. Allones" (his favorite cigar).

Shalit said he did not know what he would do with his cigars. Another customer is solving the problem by splitting them up between the humidors at two of his private New York clubs, the humidors in his homes in New York, Paris and Nantucket and the humidor on his yacht. "A sensible approach," commented Lee.

"There used to be six or seven attendants in here to get your cigars," said another customer, David Bernard, "and now there is one. Their whole lives were cigars. Now Dunhill sells clothes, and they have branches where you get some tie salesman who knows nothing about cigars."

"So, they will dismantle the famous Dunhill Humidor Room and open a smaller one in the store, and two years from now I'll bet they'll be selling handkerchiefs in there. It's the way of the world."

"I feel like him," said another customer, an imposing silver-haired man who allowed as how he might slip down to the first floor of the store and buy himself a \$5,000 crocodile attaché case to cheer himself up.

PEOPLE
Mushing Off to Nome

Sixty-one dog sled teams from seven nations are mushing along the Iditarod Trail across 1,135 miles (1,840 kilometers) of the Alaskan wilderness in the 13th annual race from Anchorage to Nome. The fastest posted time is 12 days, 8 hours, 45 minutes and 2 seconds, recorded in 1981 by Rick Swenson, who has won the event four times. The top teams usually travel in a park to Unalakleet on Norton Sound, about 269 miles from Nome. Food is air-dropped at 27 points along the route.

A trip to Europe with a presidential advance team is obviously a good time to go shopping for a new BMW. Newsweek magazine says Michael Deaver, the departing White House deputy chief of staff, and other members of the advance team arranged to buy nine of the luxury cars in Munich — and, with diplomatic passports, for a discount of about 25 percent, the magazine said. The team was in West Germany preparing for President Ronald Reagan's four-country visit to Europe in May. Deaver said that such discounts were a traditional perk for those holding diplomatic passports.

Alain Delon was named best actor and Sabine Azema best actress at the 10th annual presentation of the César awards to members of the French film industry. The best film of 1984 was judged to be "Les Ripoux" by Claude Zidi, a tale of a policeman and his incorruptible assistant. Zidi also was named best director by the Academy of French Film Professionals. Delon was honored for his role in "Notre Histoire," Azema's role was in "Un Dimanche à la Campagne." The César for best foreign film went to "Amadeus," the U.S. film about Mozart, directed by the Czechoslovakian-born Milos Forman.

The Algerian filmmaker Brahima Tassili won the grand prize for best film at the ninth Pan-African film festival in Ouagadougou, Burkina Faso, for "Histoire d'une rencontre" (Story of an Encounter). The festival jury chose Ray Dhanee of Angola as best director for "Melsita."

Women Against Pornography, a U.S. feminist group, have criticized Calvin Klein for sexism in an underwear ad featuring a nearly bare-breasted woman in what the group called a "pose straight out of Penthouse." The organization also found a diaper commercial objectionable. The group gave one of its "Peggie" awards to a Hughes commercial showing babies in a beauty contest, saying the ad presented "little girls in objectifying cheesecake poses which ignore the prevalence and seriousness of child molestation."

A disgruntled Chicagoan, newly a millionaire, tried to pay his former wife's divorce lawyer with 750,000 pennies, but a judge told the man to write a check for \$7,500 instead. Peter New York, who didn't do any celebrating or sight-seeing, instead he rehearsed Max Bruch's Violin Concerto No. 1, Memhin is on a three-week U.S. tour, conducting London's Royal Philharmonic Orchestra. He heard Ju Li in 1980 on a trip to China during which he listened to many young players, and suggested that the boy be allowed to study at Memhin's school in England. The Chinese government allowed him to do so for four years, then requested that he return. He studies at the Shanghai Conservatory.

Yehudi Menuhin, who made his Carnegie Hall debut as a violinist at age 11 in 1927, presided over the U.S. debut of Ju Li, a 16-year-old violinist who flew from China to New York for the concert. Ju Li spent his birthday in New York, but didn't do any celebrating or sight-seeing, instead he rehearsed Max Bruch's Violin Concerto No. 1, Memhin is on a three-week U.S. tour, conducting London's Royal Philharmonic Orchestra. He heard Ju Li in 1980 on a trip to China during which he listened to many young players, and suggested that the boy be allowed to study at Memhin's school in England. The Chinese government allowed him to do so for four years, then requested that he return. He studies at the Shanghai Conservatory.

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